

DEPARTMENT OF GENERAL SERVICES

STATE OF CALIFORNIA



DEPARTMENT OF GENERAL SERVICES

Legislative Summary 1996



Pete Wilson, Governor

November 1996

DEPARTMENT OF GENERAL SERVICES

The following report summarizes chaptered, vetoed, or other significant legislation affecting the Department of General Services.

The Office of Legislation monitored and reviewed over 6,118 measures providing full analyses on over 444 bills. Of these, 66 bills with particular significance to the department reached the Governor's desk.

We were extremely successful this year in representing the department's positions and interests to other state agencies, the Legislature, and the Governor. As you will see from the report, we addressed a wide range of topics, from relatively simple, one-issue subjects to very complex efforts to reform governmental processes.

In reviewing the issues which were introduced in the 1995-96 Legislative Session, and the ongoing issues being faced by the State of California, we anticipate that the 1997-98 Legislative Session will be equally challenging.

KAREN L. NEUWALD
Assistant Director - Legislation

DEPARTMENT OF GENERAL SERVICES

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DEPARTMENT OF GENERAL SERVICES

AB 116 (Speier)

LEGISLATIVE REPORTS MORATORIUM

CHAPTER 970, STATUTES OF 1996

EFFECTIVE DATE: September 27, 1996

SUMMARY:

This bill provides that no state or local agency would be required to prepare and submit any written report to the Legislature or the Governor until October 1, 1999, unless the report is specified to be prepared or meets one of the following requirements: (1) the report is required by a court, federal law, or regulation; (2) it is required by the Budget Act; (3) it is expressly required by the Legislature as specified within the contents of this bill; and (4) it is determined by the Department of Finance to be necessary for the preparation or implementation of the Budget Act.

The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

Indeterminable savings.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).
Division of State Architect (DSA).
Office of Real Estate and Design Services (OREDS).
Office of Small and Minority Business (OSMB)

The following ten reports are still required to be prepared by DGS under the provisions of AB 116:

Education Code Sections 15750, 16098, and 17330 - OPSC
Government Code Section 8878.97 - DSA
Government Code Sections 13332.10 and 14660.1 - OREDS
Government Code Section 14840 - OSMB
Military and Veterans Code Section 999.7 - OSMB
Public Contract Code Sections 10359 and 10115.5 - OSMB

SECTIONS AFFECTED:

Add and repeal Section 7550.5 of the Government Code.

DEPARTMENT OF GENERAL SERVICES

AB 571 (Brulte)

PURCHASES OF RECYCLED PAPER PRODUCTS

CHAPTER 319, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill places in statute a Presidential Order relating to the acquisition of recycled paper products.

On March 25, 1996, President Clinton signed Executive Order 12995, which amended the federal regulations governing the minimum recycled content standard for certain printing and writing papers. The Department of General Services, Office of Procurement, feels this revision will have no policy or fiscal impact on the acquisition of paper products and will bring the state into conformity with federal guidelines. This revision in the federal standards is widely accepted as a positive step toward correcting an inconsistency in federal regulations that created an inadvertent competitive advantage for certain suppliers.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Procurement Division (PD).

None, since this measure puts into statute the current PD practice.

SECTIONS AFFECTED:

Amend Sections 10507, 10855, 12161, and 12301, of the Public Contract Code.
Amend Section 42202 of the Public Resources Code.

DEPARTMENT OF GENERAL SERVICES

AB 734 (Conroy)

**PUBLIC CONTRACTS: NON-
RESIDENT CONTRACTORS**

CHAPTER 279, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill requires a non-resident contractor to disclose to an awarding agency any and all bid preferences provided to that contractor by the state or country in which it has its principal place of business.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Division of State Architect (DSA).
Office of Project Development and Management (OPDM).
Office of Real Estate and Design Services (OREDS).
Office of Buildings and Grounds (OBG).

This required disclosure by non-resident contractors will facilitate the implementation of the existing law that requires state agencies to grant a reciprocal preference to California-based construction companies against any non-resident contractor from any state which grants or requires a preference to be given contractors from that state.

SECTIONS AFFECTED:

Amend Section 6107 of the Public Contract Code.

DEPARTMENT OF GENERAL SERVICES

AB 907 (Vasconcellos)

CAPITAL OUTLAY PLANNING

VETOED

SUMMARY:

This bill would have required each state agency to prepare annually and submit to the Department of Finance (DOF) a list of the capital outlay needs of the state agency for the next five years. The bill further required the DOF annually to prepare and submit to the Legislature a multi-year capital outlay master plan from the lists submitted by state agencies.

VETO MESSAGE:

I am returning Assembly Bill No. 907 without my signature.

This bill would require each state agency to annually prepare and submit to the Department of Finance, a list of the capital outlay needs of state agencies for the next five years. Further, the bill requires the Department of Finance to then annually prepare and submit to the Legislature a multi-year capital outlay master plan compiling and prioritizing the lists submitted by state agencies.

This bill is unnecessary. Every year, the Department of Finance issues a report describing the state's potential capital outlay needs over a ten-year period. The report contains potential funding sources and is sufficient for strategic planning purposes. It is unnecessary to require the Department of Finance to compile an inventory as well.

Moreover, individual department capital outlay needs and forecasts often change quickly in response to Legislative and Administrative policy changes which affect program needs as well as budgetary constraints. Supplying this information annually - and having the Department of Finance continually attempt to prioritize a vast array of often incompatible capital-outlay projects - may result in more confusion than clarity.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 1168 (Campbell)

BONDS: PUBLIC EDUCATION FACILITIES

CHAPTER 1, STATUTES OF 1996

EFFECTIVE DATE: January 8, 1996

SUMMARY:

This bill establishes the Public Education Facilities Bond Act of 1996, which established a state general obligation bond in the amount of \$3 billion for the construction of new, and renovation of existing, public school facilities and placed the bond measure before the voters at the March 26, 1996, election. The bill contains an urgency clause.

From the proceeds of the bonds, \$2.025 billion would be deposited in the State School Building Lease-Purchase Fund. The bond issue limits the expenditure of its sale proceeds to not more than \$900 million for: (1) the acquisition of portable classrooms; (2) reconstruction or modernization of facilities; (3) the purchase and installation of air-conditioning equipment and insulation for schools operated under a multi-track schedule; (4) project funding for districts incurring enrollment increases due to the locating or expansion of state or federal prisons; (5) relocatable child care and development facilities; (6) classrooms for severely handicapped pupils; (7) funding of new construction for districts that lack funding priority due to the size of pupil enrollment in the district; (8) high-priority roof replacement; (9) increases in school security measures; (10) asbestos abatement; and (11) allocation of funds in excess of 25 percent of the structure's replacement cost for structural improvements needed to avert future earthquake damage. In addition, the bond issue limits the expenditure of its sale proceeds to not more than \$100 million for seismic retrofit projects of existing public school facilities and not more than \$40 million for projects in districts that agree to contribute 60 percent or more of the project cost.

APPROPRIATION/FISCAL EFFECT:

This bill placed a \$3 billion bond act on the March 1996 ballot.

Enactment of this bill could lead to additional applications for new construction as well as applications for funds in the new program areas the bill creates. This increase in workload may require additional personnel resources.

DEPARTMENT OF GENERAL SERVICES

AB 1168 (Campbell)

(Continued)

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The OPSC as staff to the State Allocation Board (SAB) will experience a workload increase as a result of these provisions. However, this cost is offset by the anticipated economic benefit, both fiscally and in the creation of employment in direct and related industries.

SECTIONS AFFECTED:

Add Part 66 (commencing with Section 100000) to the Education Code.

DEPARTMENT OF GENERAL SERVICES

AB 1285 (Hauser)

**STATE COASTAL CONSERVANCY:
CASCADE RANCH**

CHAPTER 232, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill authorizes the State Coastal Conservancy to request the Department of General Services (DGS) to retain, reserve, transfer, or convey to a public entity, non-profit organization, or other eligible third party any portion of property known as Cascade Ranch in San Mateo County.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDS).

The impact of this bill on the DGS should be minimal. Any work elements required of DGS agencies to retain, reserve, transfer, or convey portions of the property will be funded through fee assessments attached to the transfer.

SECTIONS AFFECTED:

Uncodified.

DEPARTMENT OF GENERAL SERVICES

AB 1346 (Baldwin)

CIVIL ASSESSMENTS

CHAPTER 217, STATUTES OF 1996

EFFECTIVE DATE: July 20, 1996

SUMMARY:

Existing law authorizes the court in addition to any penalty infraction, misdemeanor, or felony cases, to impose a civil assessment of up to \$250 against any defendant who fails, after notice and without good cause, to appear in court.

This bill expands these provisions also to include failure by any defendant to pay all or any portion of a fine ordered by the court. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

This bill could reduce the revenue received by the Restitution Fund if defendants are unable to pay outstanding penalty assessments and restitution fines because of the additional civil assessment. The actual decrease in revenue cannot be estimated because it is dependent on how often the new civil assessment is ordered, and whether the imposition of the civil assessment actually affects the ability of the defendant to pay other obligations.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC will monitor the impact of this bill on the Restitution Fund.

SECTIONS AFFECTED:

Section 1214.1 of the Penal Code.

DEPARTMENT OF GENERAL SERVICES

AB 1368 (Knowles)

CLAIMS AGAINST THE STATE: PAYMENTS OR REFUNDS

CHAPTER 941, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

Under existing law, if a state agency fails to pay for goods or services received under a contractual arrangement, that agency is subject to interest penalty fees as specified.

This bill provides that any state agency failing to pay a person an undisputed payment or refund due that person, will be liable for the interest owed on that account. Interest would begin accruing on the 31st day after the agency provides notice that a payment or refund is owed or after the agency receives notice from the person that an undisputed payment or refund is owed. (This does not apply to income tax refunds, Medi-Cal reimbursements, Board of Control claims payments, payments by the Commission on State Mandates, merit award payments, or benefit payments under public social service and health programs.)

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Fiscal Services (OFS).
Office of Fleet Administration (OFA).

The OFS and OFA handle accounts in seven areas that involve refunds covered by this measure. Both offices feel these refunds are/can be processed within the time frame prescribed in the bill.

SECTIONS AFFECTED:

Add Government Code Section 926.19.

DEPARTMENT OF GENERAL SERVICES

AB 1519 (Morrow)

EDUCATIONAL TECHNOLOGY

CHAPTER 9, STATUTES OF 1996

EFFECTIVE DATE: February 9, 1996

SUMMARY:

This bill establishes the Education Technology Grant Program of 1996 for the purpose of awarding technology implementation grants on a 50 percent matching basis to school districts and county offices of education. Funding for these grants would be provided by appropriation of specified funds currently under the control of the Public Utilities Commission (PUC). The bill contains an urgency clause, and is joined to the passage of AB 1302 (K. Murray), Chapter 767, Statutes of 1995.

APPROPRIATION/FISCAL EFFECT:

This bill appropriates \$17.5 million from specified moneys under the control of the PUC to fund high-technology grants to K-12 and County Office of Education school programs.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The State Allocation Board (SAB) would be required to develop a funding formula for the program, and grants would be awarded with first priority for funding going to projects that seek only 50 percent state funding. The SAB, with the recommendation of the State Department of Education (SDE), would have the ability to waive this matching fund requirement under specified circumstances.

SECTIONS AFFECTED:

Add Chapter 17 (commencing with Section 11600) to Part 7.5 of the Education Code.

DEPARTMENT OF GENERAL SERVICES

AB 1709 (McPherson)

SPECIAL ELECTIONS: COSTS

CHAPTER 1102, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill provides that on and after January 1, 1997, all authorized and necessary expenses incurred in preparing and conducting elections proclaimed by the Governor to fill a vacancy in the Senate or Assembly, or in the United States Senate or House of Representatives shall be paid by the state. These provisions shall remain in effect only until January 1, 2000, unless a later enacted statute deletes or extends that date. Although this bill does not specifically mention the Board of Control (BOC), any claims for counties for these special election expenses must be filed with the Government Claims Program.

APPROPRIATION/FISCAL EFFECT:

The BOC estimates that processing the special elections claims will require additional resources to complete this task.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

Any claims by counties for these special election expenses must be filed with the BOC.

SECTIONS AFFECTED:

Section 13001 of the Elections Code.

DEPARTMENT OF GENERAL SERVICES

AB 1724 (McPherson)

**SCHOOL FACILITIES: AREAS DESIGNED
FOR AGRICULTURAL USE**

CHAPTER 509, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill requires the governing board of a school district, prior to commencing the acquisition of property for a new school site in an area designated for agricultural use, to adopt findings that include:

1. The school district has notified and consulted with the appropriate local entity.
2. The district has evaluated all factors in the site selection affecting the public interest, and not limited its selection based on the cost of the land.
3. The school district will attempt to minimize any public health and safety issues resulting from the neighboring agricultural uses that may affect the pupils and employees at the school site.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

There is no direct impact or change to the State School Building Lease-Purchase Program.

SECTIONS AFFECTED:

Add Section 39006 to the Education Code.

DEPARTMENT OF GENERAL SERVICES

AB 1890 (Brulte, et al.)

ELECTRICAL DEREGULATION

CHAPTER 854, STATUTES OF 1996

EFFECTIVE DATE: September 23, 1996

SUMMARY:

This bill establishes a process for converting the existing electric power industry from a regulated environment to a competitive deregulated market. The bill contains an urgency clause.

In furtherance of this objective, this bill:

1. Requires the Public Utilities Commission (PUC) to assist in the creation of an independent system operator and a power exchange.
2. Requires phased-in direct access for consumers by January 1, 1998, with complete direct access by January 1, 2002.
3. Authorizes the state's three major utility companies to recover fully 100 percent of their uneconomic costs, as defined, at 7 percent interest, plus taxes through the establishment of a "competitive transition charge" (CTC), which is assessed to rate payers.
4. Limits the time period for full uneconomic cost recovery through the competitive transition charge to four years (January 1, 1998, to December 31, 2001), but authorizes certain costs to be continued to be recovered into the future.
5. Includes in the bill several specially tailored exemptions and cost allowances to the benefit of individual utility companies.
6. Exempts existing co-generation facilities, 110 megawatts of load for irrigation districts, 75 megawatts of load from the Modesto Irrigation District, and users of federal preference power from payment of the competitive transition charge, as specified.
7. Contains provisions designed to protect consumers from unethical business practices in a deregulated environment.
8. Requires the PUC to establish standards for transmission system reliability.

DEPARTMENT OF GENERAL SERVICES

AB 1890 (Brulte, et al.)

(Continued)

9. Authorizes the State Infrastructure Bank to issue up to \$10 billion in “rate reduction bonds” to finance a 10 percent discount for residential and small commercial rate payers.
10. Requires utility companies to spend approximately \$1.6 billion over four years for various research, development, energy efficiency, and renewable energy purposes.
11. Requires various low-income programs and energy-efficiency programs to be continued to be funded at 1996 levels.
12. Authorizes municipal utilities to charge a fee to cover costs related to various research, development, energy efficiency, and renewable energy purposes.
13. Authorizes the Department of General Services (DGS) or any other state or local agency to establish a pre-qualified pool of energy service companies for contracts awarded based upon a competitive selection process.

APPROPRIATION/FISCAL EFFECT:

Currently, the state, including community colleges, spends over \$350 million per year on energy bills, with roughly \$280 million of this amount for electricity. In a deregulated electrical power market, the state could save an unknown amount on electrical costs. Assuming that only 2 percent could be saved through a collective bidding program, this would amount to \$5.6 million per year.

It is anticipated that additional personnel would be needed to handle contracting with energy service companies in a manner authorized by this bill and to assist with aggregating state agencies’ electrical loads to reduce costs in a deregulated market.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Energy Assessments (OEA).

The OEA will be the lead office at the DGS charged with taking advantage of potential cost savings to the state achieved through energy deregulation. The OEA also has the authority to establish a pre-qualified pool of energy service companies to operate in conjunction with its existing energy efficiency programs.

DEPARTMENT OF GENERAL SERVICES

AB 1890 (Brulte, et al.)

(Continued)

SECTIONS AFFECTED:

Amend Sections 955.1 and 3440.1 of the Civil Code.

Amend Section 9104 of the Commercial Code.

Amend Sections 63010, 63025.1, and 63071 of, and add Article 6 (commencing with Section 63048) to Chapter 2 of Division 1 of Title 6.7 of, the Government Code.

Amend Section 216 of, add Chapter 2.3 (commencing with Section 330) to, add Article 5.5 (commencing with Section 840) to Chapter 4 of, Part 1 of Division 1, add Division 4.9 (commencing with Section 9600) to, and repeal Article 12 (commencing with Section 394) of Chapter 2.3 of Part 1 of Division 1 to, the Public Utilities Code.

DEPARTMENT OF GENERAL SERVICES

AB 1949 (Conroy)

CONSTRUCTION RETENTION PROCEEDS

VETOED

SUMMARY:

This bill would have:

1. Limited the amount of funds that a public entity, contractor, or subcontractor, may hold in "retention" in public works projects to 5 percent of the payment and no more than 5 percent of the contract price.
2. Increased the allowable limits for progress payments by a department from 95 percent to 96 percent of the actual work completed.
3. Capped the total amount of funds withheld after 96 percent of the work has been completed to 125 percent of the estimated value of the work yet to be completed.
4. Waived the above caps in a situation where a performance bond is required but not provided.
5. Applied all of the above requirements to all contracts entered into after January 1, 1997.
6. Sunset all of these provisions on January 1, 2000.

VETO MESSAGE:

I am returning Assembly Bill No. 1949 without my signature.

In an attempt to expedite the payments to subcontractors working on public construction projects, this bill unnecessarily places at risk the taxpayers of California. Currently the marketplace has established the private sector retention rate on construction contracts at 10 percent because of the financial risks associated with ensuring that subcontractors perform and complete their part of the construction project. The careful "stacking of the trades" that occurs in a construction project is both a logistical and financial balancing act. Any delays by one subcontractor can delay the other trades working on the project. Unfortunately, the business practices of a few contractors/subcontractors has led to the establishment of a 10 percent retention rate in the marketplace.

DEPARTMENT OF GENERAL SERVICES

AB 1949 (Conroy)

(Continued)

The state has a fiduciary responsibility to the California taxpayers to use their money wisely, and that includes not incurring unnecessary risks. The state's construction projects for schools, universities, community colleges, prison, and state office facilities involves billions of dollars. The private sector is able to choose its contractors/subcontractors based on experience, reliability, quality of work, and reasonableness of price. However, the state is required to use low bidder and therefore incurs more potential risks than the private sector in its construction contracts.

Although I appreciate the concerns of subcontractors regarding the timelines involved in recovering their retention funds upon completion of projects, I have a higher duty to protect the interest of the taxpayer in ensuring that publicly funded projects are completed on budget and without delay. Furthermore, at a time when government is being asked to operate more like the private sector, attempting to place a mandatory cap in statute - and thereby hampering the ability of public agencies to adequately protect themselves from risk - is not the correct path to reform in this area. Government agencies must be able to protect public construction projects from unnecessary risks in a manner similar to the private sector.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 2069 (Tucker)

CRIME: PENALTY

CHAPTER 578, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

Existing law authorizes counties to impose a \$7 assessment on persons convicted of certain violations for which an arrest warrant has been issued and specifies that for these purposes bail forfeiture is considered a conviction. This bill would instead authorize the assessment for any person:

1. Who willfully violates their written promise to appear or their granted continuance to appear in court.
2. Who fails to appear before a person authorized to receive a bail deposit.
3. Who does not comply with any valid court order.

APPROPRIATION/FISCAL EFFECT:

This bill will likely expand the number of persons on whom the county may impose the \$7 assessment. However, the amount is not great enough to have any significant impact on the ability of those persons to meet any other obligations they may have, i.e., restitution fines and orders, state and local penalty assessments and fines.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC will monitor the impact of this bill on the Restitution Fund.

SECTIONS AFFECTED:

Amend Section 853.7a of the Penal Code.
Amend Section 40508.5 of the Vehicle Code.

DEPARTMENT OF GENERAL SERVICES

AB 2108 (Mazzoni)

**SOLID WASTE: NEW TIRE DISPOSAL
FEES**

CHAPTER 304, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill:

1. Requires that each person who purchases a new tire pay to the seller a disposal fee of \$.25 per tire.
2. Authorizes the tire seller to retain 10 percent of the fee for processing costs and remit the remainder of the fee to the California Tire Recycling Management Fund.
3. Authorizes traffic or peace officers, as representatives of the California Integrated Waste Management Board, to enforce the provisions of the Tire Hauler Registration Act.

APPROPRIATION/FISCAL EFFECT:

Minor, absorbable impact for the first year of implementation.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Procurement Division (PD).
Office of Fleet Administration (OFA).

The PD and OFA will now pay the tire disposal fee at the time tires are purchased rather than when they are disposed.

SECTIONS AFFECTED:

Amend Sections 42885 and 42961.5 of the Public Resources Code.
Add Section 31560 to the Vehicle Code.

DEPARTMENT OF GENERAL SERVICES

AB 2160 (Baldwin)

STATE EXPENDITURES

CHAPTER 320, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill, sponsored by the Department of General Services (DGS), eliminates numerous miscellaneous fiscal oversight functions of the Board of Control (BOC). Specifically, this bill:

- Transfers from the BOC to the Department of Finance (DOF) the authority to demand the substantiation and audit of expenditures from the Board of Dental Examiners' revolving fund.
- Repeals the ability of corporations to file a claim with the BOC when penalized by the Secretary of State for not filing their annual statement containing specified information about the corporation per Section 1502 of the Corporations Code.
- Clarifies that the Director of Personnel Administration, not the BOC, is responsible for regulating state employee travel, moving, and relocation expense reimbursement rates and per diem rates.
- Repeals the requirement that the Controller or other state disbursing officer obtain the BOC's approval prior to obtaining forgery insurance for the use of a facsimile signature machine.
- Transfers from the BOC to the Department of Personnel Administration (DPA) the authority to determine what equipment should be included in housing for state employees.
- Repeals the required BOC approval for DOF to invest funds in the purchase of bonds or to sell bonds.
- Repeals the authority of the Controller or the Director of General Services, acting ex officio as a member of the BOC, to name a designee for the purpose of consenting to the purchase, sale, transfer, or exchange of bonds.
- Repeals the required BOC approval for a state agency to refrain from collecting certain moneys owed to the state in amounts under \$250, which are deemed uncollectable or the cost of collection is not justified. Adds the provision that the BOC can revoke this authority.

DEPARTMENT OF GENERAL SERVICES

AB 2160 (Baldwin)

(Continued)

- Transfers from the BOC to the Director of the DOF the authority to authorize the State Public Works Board to transfer appropriated funds found to be unneeded for the acquisition of one site to an appropriation for the acquisition of real property.
- Transfers from the BOC to the Director of the DOF the responsibility to approve the use of appropriated funds by the State Public Works Board for use as a revolving fund.
- Transfers from the BOC to the Trustees of the California State University the authority to authorize the use of unneeded funds appropriated for one California State University (CSU) to be used for any CSU university.
- Transfers from the BOC to the Director of the DOF the authority to determine that the interest earned on specified funds is prohibited from being expended for General Fund purposes by the California or United States Constitution.
- Transfers from the BOC to the State Treasurer the authority to determine the "market value" of specified bonds.
- Repeals the requirement that the BOC approve the establishment of procedures by the State Controller for the transfer of bonds between funds in the State Treasury.
- Repeals the requirement that the BOC approve the purchase of registered county warrants by DOF in specified circumstances.
- Repeals the BOC's duty to complete the enforcement and execution of any matter initiated by the Insurance Commissioner. This duty would still belong to the Board of Equalization and the State Controller.
- Repeals the requirement that any department report to the BOC whenever a purchase is made in excess of \$15,000 without the taking of bids. Instead, the department must prepare a written document of the facts and retain it as a public record.
- Repeals the required BOC approval for using moneys in the State Parks and Recreation Fund for the payment of refunds of fines and forfeitures erroneously deposited in the fund.

DEPARTMENT OF GENERAL SERVICES

AB 2160 (Baldwin)

(Continued)

- Repeals the required BOC approval for using moneys deposited in the State Treasury by the State Lands Commission for payment of refunds and for refunds by the State Lands Commission and the filing of such claims with the Controller.
- Repeals the requirement that the BOC approve certain refunds made by the Franchise Tax Board.
- Repeals the requirement that the BOC approve vouchers for payment of expenses to transport specified non-residents of this state to their states of residence.
- Clarifies that the Director of Personnel Administration, not the BOC, is responsible for determining the charge to state employees for living facilities, meals, and subsistence.
- Repeals two sections of the Welfare and Institutions Code that related to meals, subsistence, and living facilities being provided on the grounds of institutions for state employees residing within or outside of the institution. Previously, the BOC was responsible for determining the amount to be charged to the employees for such services.

APPROPRIATION/FISCAL EFFECT:

The specific fiscal impact of this proposal is unknown at this time; however, this bill would mitigate some of the effects of budget reduction that the BOC has experienced and enhance the level of service provided in other functional areas.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC will transfer appropriate data to departments assuming new functions.

AB 2160 (Baldwin)

(Continued)

DEPARTMENT OF GENERAL SERVICES

SECTIONS AFFECTED:

Amend Section 1722 of the Business and Professions Code.

Amend Section 2204 of the Corporations Code.

Amend Section 40054 of the Financial Code.

Amend Sections 6006, 6988, 14971, 27574, 29028, 40576, 41008, 41867, and 52885 of the Food and Agricultural Code.

Amend Sections 3541, 8164.1, 8870.4, 11101, 13332.07, 13943.2, 15865, 15866, 16475, 16486, 16487, 21155, and 29874 of, and repeal Sections 13450, 13450.1, and 16304.6a of, the Government Code.

Amend Section 685.3 of the Insurance Code.

Amend Section 3352 of the Labor Code.

Amend Section 322 of the Military and Veterans Code.

Amend Section 10302 of the Public Contract Code.

Amend Sections 5008.4 and 6217 of the Public Resources Code.

Amend Sections 30179, 30366, 32405, 43455, 45655, and 50142.1 of the Revenue and Taxation Code.

Amend Sections 1011 and 4121 of, and repeal Sections 1077, 4310, and 4490 of, the Welfare and Institutions Code.

DEPARTMENT OF GENERAL SERVICES

AB 2179 (Miller)

OMNIBUS CLAIMS BILL

CHAPTER 491, STATUTES OF 1996

EFFECTIVE DATE: September 14, 1996

SUMMARY:

This bill, sponsored by the Department of General Services (DGS), is one of two omnibus claims bills that the Board of Control (BOC) is required to submit to the Legislature each year. This bill appropriates \$1,194,841.31 from various funds to the board for payment of claims approved by the BOC. The bill contains an urgency clause. (See SB 2095.)

APPROPRIATION/FISCAL EFFECT:

This bill appropriates \$1,194,841.31 from various funds to the BOC for payment of claims approved by the BOC.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC is responsible to obtain releases and make payments to claimants.

SECTIONS AFFECTED:

Uncodified.

DEPARTMENT OF GENERAL SERVICES

AB 2291 (Knox)

REAL PROPERTY

CHAPTER 932, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

Existing law provides a limited immunity for an owner of real property and certain public entities who give permission to the public for entry on or use of real property for a recreational purpose that are subsequently sued by person(s) who are injured or suffer damages on that property. Government Code Section 831.5 and Civil Code Section 846 express legislative intent to encourage public access programs to recreational property owned by individuals and certain nonprofit land trusts that have entered into agreements with the Coastal Conservancy, CA Tahoe Conservancy, or the Public Works Board.

This bill provides that either an owner or qualifying land trust that is sued and the action is dismissed upon a demurrer or motion for summary judgment may recover reasonable attorney fees (not to exceed \$25,000 and the Attorney General's hourly billing rate charge) from the state. **The bill further provides that the defendant may file a claim with the State Board of Control (BOC), and the board shall allow the claim if it meets the requirements of this bill. These provisions do not apply if a public entity has provided for the defense in the civil action.**

Essentially, the bill imposes a financial obligation on the part of the state that otherwise does not exist. According to the author's office, the existing limited immunity has caused many owners to allow access to their recreational property by the public. However, others are reluctant to grant access since they may be liable for attorney fees in defending themselves against a civil suit. Accordingly, this bill is intended to remove that concern (up to \$25,000) and could result in additional property being opened to the public.

APPROPRIATION/FISCAL EFFECT:

Since we have no information on the incidence of civil suits that are filed annually that would qualify under this bill, we are unable to provide an estimate of the potential fiscal impact. Depending on the volume of claims that would result from this bill, there may be a PY (personnel year) impact.

DEPARTMENT OF GENERAL SERVICES

AB 2291 (Knox)

(Continued)

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC is required to hear and approve claims qualifying pursuant to this bill.

SECTIONS AFFECTED:

Add Section 846.1 to the Civil Code.

DEPARTMENT OF GENERAL SERVICES

AB 2324 (Bates)

REAL PROPERTY: U C BERKELEY

CHAPTER 649, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill repeals existing statutes regarding a land exchange between the University of California, Berkeley and the state Department of Health Services (DHS). Instead, the bill declares the intent of the Legislature that a specified DHS site in Berkeley be conveyed by the Department of General Services (DGS) to the UC through a process mutually agreed to by the DHS, DGS, and the Regents of the UC.

Further, this bill deletes a provision in existing law that required the DGS to sell an additional property owned by the DHS on Acton Street in Berkeley. This deletion will enable the City of Berkeley — which has expressed an interest in the site — to have an opportunity to obtain the property for low-income housing through existing surplus property procedures.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDS).

There should be a minimal impact on the DGS. Any work elements required of DGS agencies to negotiate and approve title transfers for the site will be funded through fee assessments attached to the transfer.

SECTIONS AFFECTED:

Repeal and add Sections 100505 and 100510 of, and repeal Section 100515 of, the Health and Safety Code.

DEPARTMENT OF GENERAL SERVICES

AB 2371 (K. Murray)

**SCHOOL FACILITIES: CLASSROOM
TELEPHONES**

VETOED

SUMMARY:

This bill would have required any school district, which applied for funding from state general obligation bonds beginning January 1, 1997, to include in its plans a hard-wired connection to a public switched network for new or modernized classrooms. The bill also required that by January 1, 1997, all plans and specifications for portable classrooms funded under the State Relocatable Classroom Program (SRCP) include a hard-wired connection to a public switched network in each portable classroom.

VETO MESSAGE:

I am returning Assembly Bill No. 2371 without my signature.

This bill would require any school district applying for funding pursuant to the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Greene Act) to include in its plans for any new or modernized permanent or portable classroom a hard-wired connection to a public switched network.

While it is appropriate for the state to mandate that school facilities meet certain safety and access specifications, the state is overreaching its duty if it specifies the technology for each classroom. Some communities may believe that the children and teacher in each classroom would be safer if a phone were installed; others may be more interested in wireless telecommunications, which is improving rapidly and is an alternative that provides greater flexibility. Either of these options is already permissible under current law.

It is the role of the local school district governing board to determine the best method of telecommunications to ensure the safety of its staff and pupils.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 2428 (Alpert)

BUILDING RENTAL ACCOUNT

VETOED

SUMMARY:

This bill would have required the Department of General Services to submit a plan to the Legislature by September 1, 1997, that would convert the Building Rental Account rates from uniform rates to rates reflecting the market rents of each facility, while recovering the state's costs of occupying those structures, including deferred maintenance.

VETO MESSAGE:

I am returning Assembly Bill No. 2428 without my signature.

This bill would require the Department of General Services to develop a plan that would convert the existing "uniform" rental rate to a "market-based" rental system reflecting rents of each facility, while recovering the state's cost of occupying those facilities, including deferred maintenance. By shifting to market-based rental rates on state buildings, this bill would increase the state's annual rental payments and expenditures for deferred maintenance by \$6 million. The amount currently budgeted for this purpose is \$1.5 million, which strikes a balance between deferred maintenance needs and the need to maintain affordable rental rates for state agencies as part of reducing the cost of government. Therefore, it is more prudent to allow the Department of General Services to complete its current analysis of all options, rather than to prematurely mandate a solution.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 2431 (Aguiar)

**EDUCATION: LEROY F. GREENE
STATE SCHOOL BUILDING LAW:
PORTABLE CLASSROOMS**

CHAPTER 470, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill authorizes school districts to replace portable classrooms with permanent buildings if:

1. The district has leased or owned the portables for at least 20 years.
2. The area of the new building construction does not exceed the area that would be authorized for the lease or purchase of replacement portable classrooms.
3. The school district pays for any additional cost not paid by the state through the issuance of general obligation bonds by the district, Mello-Roos bonds, or any other financing mechanism not encumbering the school district's general fund.

APPROPRIATION/FISCAL EFFECT:

Since the bill requires the district to pay the additional cost for a permanent structure and the area of the facility cannot exceed the area of the portable being replaced, there is no impact on the State School Building Lease-Purchase Program (SSBLPP).

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

There is no impact on the SSBLPP.

SECTIONS AFFECTED:

Add Section 17742.9 to the Education Code.

DEPARTMENT OF GENERAL SERVICES

AB 2457 (Figueroa)

FOREIGN MADE PRODUCTS: CONVICT
LABOR

CHAPTER 1149, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill requires contractors to sign a statement indicating that equipment, materials, or supplies furnished to the state under contract are not made by forced labor, convict labor, or indentured labor. A violation of this provision could result in any or all of the following: (1) the contract being voided, at the option of the state agency; (2) the supplier/contractor being assessed a fine of at least \$1,000 or 20 percent of the total contract (**whichever is greater**); and (3) a 360-day prohibition from contracting with the state. This bill does not impact contracts for public works projects.

APPROPRIATION/FISCAL EFFECT:

The fiscal impact is indeterminable and is largely dependent upon how the provisions of the measure are implemented and the number of complaints filed.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

All DGS offices.

Any contract entered into with a state agency, regardless of amount, must contain a statement that the products being supplied were not made by foreign convict, forced, or indentured labor and signed by the contractor.

SECTIONS AFFECTED:

Add Section 6108 to the Public Contract Code.

DEPARTMENT OF GENERAL SERVICES

AB 2458 (Figueroa)

REPORTS TO THE LEGISLATURE

CHAPTER 818, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill provides that any report that is legally required to be submitted to the Legislature by any state or local agency shall instead be submitted to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly. The bill will require Legislative Counsel to make available to the public in electronic form, as part of a public computer network, a list of the reports submitted. This bill will specify that no report shall be distributed to a member of the Legislature unless specifically requested by that member.

APPROPRIATION/FISCAL EFFECT:

Indeterminable cost savings to the state's taxpayers in terms of the amount of paper saved in distributing reports to the Legislature.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

All DGS offices.

The bill will affect all DGS offices that are required to prepare legislative reports.

SECTIONS AFFECTED:

Add Article 6 (commencing with Section 9795) to Chapter 7 of Part 1 of Division 2 of Title 2 of, and repeal Section 11095 of, the Government Code.

DEPARTMENT OF GENERAL SERVICES

AB 2719 (Sweeney)

SCHOOL FACILITIES

VETOED

SUMMARY:

This bill included the following provisions relating to projects for the purchase or installation of educational technology hardware or science laboratories:

1. Allowed a bond to be placed on local ballots for the purchase and installation of educational technology hardware, including multimedia centers, computers, telephones, televisions, videocassette recorders, and projection screens. The bill also authorized bonds for science laboratories, including protective hoods, sinks, lab stations, and cabinets. The bill specified that the terms of repayment of any bonds issued for that purpose shall be limited to the useful life of the science laboratories.
2. Required the State Allocation Board (SAB) to consider approving school construction projects that include wiring for educational technology.
3. Authorized the SAB to waive the current limitation on modernization or revenue projects (25 percent of the replacement cost of that structure) if the school district is applying for modernization or renovation funds that include wiring and cabling to enable the structure being modernized or renovated to accommodate computers and other high technology science-related equipment.
4. Required the Joint Legislative Budget Committee, in consultation with the Department of General Services, the State Department of Education, and the Education Council for Technology in Learning to submit a report to the Legislature by March 30, 1997, on measures to integrate educational technology in the classroom.

DEPARTMENT OF GENERAL SERVICES

AB 2719 (Sweeney)

(Continued)

VETO MESSAGE:

I am returning Assembly Bill No. 2719 without my signature.

This bill would specifically allow local school districts to use local school bond funds for the purchase of education technology and science laboratories and would authorize the State Allocation Board to increase the allowance for modernization projects to accommodate the cost of wiring and cabling for technology.

Increasing the modernization allowance with respect to state level G.O. bonds would just increase demand for funds that are severely limited. School districts already may exceed the modernization allowance if the increase is funded entirely by the district. School districts should be encouraged to fund more of their school facilities needs locally. Increased local contribution and flexibility are more effective ways to meet the statewide school facilities need than increasing the state cost in the current state program. Until we get program reforms on developer fees and reduction of the state's share to 50 percent, it is inappropriate to increase demand on scarce state bonds.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 2898 (Bowler)

VICTIMS OF CRIME

CHAPTER 1077, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill, sponsored by the Department of General Services (DGS), makes various changes to laws regarding the Victims of Crime (VOC) Program and restitution. Specifically, this bill:

- Eliminates certain crimes from Government Code Section 13960, presumption of injury, and provides that in certain crimes injury is presumed if charges are filed.

Penal Code Sections deleted:

270a Non-support of a spouse
270c Failure of an adult to provide for an indigent parent
272 Contributing to the delinquency of a minor
273b Confinement of a child with an adult criminal
288.1 Conditions for suspension of a sentence for a person convicted of lewd and lascivious behavior with a child

Penal Code Sections covered if charges are filed:

270 Non-support of family members (general)

Penal Code Section added:

262 Spousal rape

- Codifies current Board of Control (BOC) policy of limiting payment of mental health expenses to providers who are licensed or registered candidates for licensure.
- Consolidates provisions governing BOC hearings under Government Code Section 13963 and codifies current hearing procedures.
- Clarifies that the BOC may make direct payments to eligible providers other than mental health providers.

DEPARTMENT OF GENERAL SERVICES

AB 2898 (Bowler)

(Continued)

- Requires the Department of Justice to provide felony-related information to the BOC so that the eligibility of program applicants can be more effectively determined.
- Corrects a punctuation error in Government Code Section 13969.3 that could have been misconstrued to allow relief from liability for overpayments.
- Requires that if a bench warrant is issued for the nonpayment of a base fine, any outstanding restitution fines must be included in the bench warrant.
- Requires that base fines and restitution fines are reduced proportionately when a defendant's outstanding fines are credited for community service performed or time served in jail or prison.
- Authorizes the Department of Corrections to collect restitution fines and orders from an inmate's trust account but not to reduce the account balance to \$300 or less. Currently, inmates have a statutory right to maintain trust account balances of \$1,000 or \$2,000 based on marital status.
- Provides that restitution orders have an infinite life as opposed to the current ten-year life with the burden on the victim of having to renew a civil judgment every ten years until the restitution order is satisfied.
- Clarifies Labor Code Section 4903 (h) to state clearly that the lien rights against workers' compensation benefits addressed in that section relate to benefits received from the program.
- Eliminates the requirement that the BOC's Executive Officer must find that the overpayment may not be waived because it was due to fraud, misrepresentation, or willful nondisclosure on the part of the recipient. However, the BOC will follow procedures outlined in Section 13969.3 of the Government Code to determine that the overpayment could not be waived.
- Makes technical corrections to various code sections that referenced recently repealed or amended code sections.
- Makes changes to various code sections to ensure that a separate hearing for setting restitution is not needed in order to establish the defendant's ability to pay.

AB 2898 (Bowler)

(Continued)

DEPARTMENT OF GENERAL SERVICES

APPROPRIATION/FISCAL EFFECT:

The provision relating to charges for accessing information from the Department of Justice will result in minor, but absorbable, costs. It is estimated that the provisions designed to increase the revenue to the Restitution Fund would result in additional collections of \$500,000 in the first year and \$1.7 million in succeeding years. The differing amounts reflect the time needed for the full implementation of the revenue collection process.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC will implement changes in law relating to eligibility and will publicize statutory changes relating to restitution imposed by the courts.

SECTIONS AFFECTED:

Amend Section 704.090 of the Code of Civil Procedure.

Amend Sections 13960, 13962, 13963, 13965, 13966.01, 13967.2, 13967.5, 13968, 13969.3, and 13969.4 of the Government Code.

Amend Section 4903 of the Labor Code.

Amend Sections 166, 243, 262, 273.5, 273.6, 484.1, 1203.044, 1203.097, 1203.1, 1205, 1205.3, 1214, 1463.18, 1464, and 2900.5 of, and repeal Section 1205.5 of, the Penal Code.

Amend Section 42003 of the Vehicle Code.

Amend Sections 653.5, 654.3, 656, 729.7, 730.6, 1752.82, and 1766.1 of the Welfare and Institutions Code.

DEPARTMENT OF GENERAL SERVICES

AB 2962 (Firestone)

**FRANCHISE TAX BOARD OFFICE
BUILDING/SURPLUS PROPERTY SALES**

CHAPTER 1152, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill, sponsored by the Department of General Services (DGS), authorizes the construction of a state office building and related facilities needed by the state Franchise Tax Board (FTB) and other state agencies in order to consolidate existing facilities and save costs. The project will be funded through lease revenue bonds issued by the state Public Works Board with the total authorized costs of the project limited to \$218 million. Further, this bill authorizes the Director of General Services to employ a real estate broker to sell surplus state property.

APPROPRIATION/FISCAL EFFECT:

This bill would have no net fiscal impact on the DGS as the costs involved in carrying out the project would be billed to the appropriation for the project. The estimated cost for the project is \$218,000,000. This includes the cost of acquiring the land; architectural services including preliminary plans and working drawings, construction, construction management and supervision; and other costs relating to the design and construction of the facilities.

This bill will also generate additional unknown revenues to the General Fund through cost savings generated through the use of real estate brokers to market state property and allow state staff to redirect their efforts to higher-valued transactions.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Project Development and Management (OPDM).
Office of Real Estate and Design Services (OREDS).

The OPDM will oversee the construction of the new state office facilities for the Franchise Tax Board. The OREDS will oversee the use of real estate brokers to sell surplus properties.

SECTIONS AFFECTED:

Amend Section 11011.5 of, add Section 14669.35 to, the Government Code.

DEPARTMENT OF GENERAL SERVICES

AB 2964 (Firestone)

SCHOOLS

CHAPTER 1158, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill makes changes to various provisions relating to K-12 education. One of the provisions relates to the calculation of deferred maintenance funding for school districts. The bill allows school districts to receive matching funds from the state based on the fiscal year immediately prior to the prior fiscal year. Existing law provides that the calculation shall be based on the prior fiscal year. The change would calculate matching funds based on actual expenditures rather than estimated current year expenditures.

APPROPRIATION/FISCAL EFFECT:

The bill makes changes to various provisions relating to K-12 education. This analysis is limited to the provision relating to the calculation of deferred maintenance funding for school districts. The bill allows school districts to receive matching funds from the state based on the fiscal year immediately prior to the prior fiscal year. Existing law provides that the calculation shall be based on the prior fiscal year. The effect is to change from budgeted figures to actual expenditures.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The calculation of deferred maintenance entitlement per school district will be changed by the State Department of Education. Funds will be allocated by the State Allocation Board.

SECTIONS AFFECTED:

Amend Sections 1903, 2550.5, 33310, 33313, 39005, 39619, 41851.11, 41851.12, 42127.8, 42140, 42141, 44757, 48664, 52616.4, and 60352 of, add Sections 53073, 53083, and 60650.5 to, and repeal Sections 53073 and 53083 of, the Education Code.

Amend Section 13 of Chapter 200 of the Statutes of 1996 and Section 25 of Chapter 204 of the Statutes of 1996.

Amend Item 6110-001-0001, Item 6110-231-0001, and Item 6110-233-0001 of Section 2.00 of the Budget Act of 1996.

DEPARTMENT OF GENERAL SERVICES

AB 2988 (Bowen)

ALTERNATIVE PROTEST: PILOT PROGRAM

VETOED

SUMMARY:

This bill would have required that certain policies and procedures be updated, as deemed necessary. The following policies and procedures would have been statutorily added:

1. The requirement that a vendor be debarred from the state bid process for failing to meet prior contractual requirements. Deleted state agency discretion provided under existing law.
2. Guidelines to encourage departments to include performance and penalty clauses in contracts with suppliers.
3. Guidelines to change the request for proposal and feasibility studies from specifying the technical solution to specifying the business goals of the department that the vendor must meet.
4. A risk assessment and cost benefit analysis to be included in all documents, as specified, requesting fiscal approval.
5. Measurement of a vendor's performance.
6. Additional requirements for vendors with poor performance to bid on projects.
7. Shortened deployment schedule for product delivery.
8. Guidelines to allow data centers to bid on providing services to all levels of government.

VETO MESSAGE:

I am returning Assembly Bill No. 2988 without my signature.

This bill would require that certain policies and procedures developed by the Department of Information Technology (DOIT) and the Department of General Services (DGS) be updated as deemed necessary. The bill would also exclude from the State bid process those vendors who failed to meet contractual requirements.

DEPARTMENT OF GENERAL SERVICES

AB 2988 (Bowen)

(Continued)

This bill is fundamentally flawed in that it would reduce the state's flexibility in dealing with this rapidly developing technology. Specifically, this bill would unduly restrict state discretion by automatically barring vendors for any prior contractual failures. This bill would bar vendors whose projects have experienced only minor violations, such as a minor schedule delay. Ultimately, this would reduce the pool of available vendors. The reduced competition could result in increased project costs.

This bill would also place into statute specific requirements for feasibility study reports (FSR), decreasing the DOIT's flexibility to modify FSR requirements as new technologies, such as improved risk assessment models, are developed.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 3095 (Villaraigosa)

VEHICLES: FINES: AMNESTY
PROGRAM

CHAPTER 742, STATUTES OF 1996

EFFECTIVE DATE: September 21, 1996

SUMMARY:

This bill allows **any county** to operate an amnesty program on a one-time basis for fines and bail associated with a Vehicle Code violation that are delinquent for not less than six months as of the date upon which the program commences. The program would be for a period of not less than 120 days. The total amount of funds collected would be deposited in the county treasury until 150 percent of the cost of operating the amnesty program have been deposited. Thereafter, 37 percent of the amount of the delinquent fines and bail deposited in the county treasury shall be distributed by the county pursuant to Section 1464 of the Penal Code, 26 percent of the amount deposited shall be distributed by the county pursuant to Article 2 (commencing with Section 76100) of Chapter 12 of Title 8 of the Government Code, and the remaining 37 percent of the amount deposited shall be retained by the county. The bill contains an urgency clause.

Under current law, Vehicle Code Section 42008 allows **any county** to establish an amnesty program for fines or bail imposed for Vehicle Code violations, except for parking violations, that were **delinquent on or before April 1, 1991**. This code section provides that all moneys collected shall be deposited in the county treasury.

Additionally, Chapter 1299, Statutes of 1993 (Boatwright), provided that **any county that had not operated an amnesty program since May 1, 1992**, was authorized to establish a program for specified violations of the vehicle code that resulted in fines or bail that were **delinquent for six months or more, as of the first date of the amnesty program**. The bill also provided that all funds collected under the amnesty program would be deposited in the county treasury. Chapter 1299 (Boatwright) is operative until January 1, 1997.

DEPARTMENT OF GENERAL SERVICES

AB 3095 (Villaraigosa)

(Continued)

The significant difference between this bill and existing law is that:

1. It applies to all counties, not just those who have not operated an amnesty program since May 1, 1992.
2. It requires the program, once established in a county, to remain in effect for at least 120 days.
3. It does not include a "sunset" date.

APPROPRIATION/FISCAL EFFECT:

May result in some increased revenue to counties as a result of offenders paying a portion of their legal obligation. Since the level of participation both by counties and offenders is difficult to assess, the impact to the Restitution Fund is unknown.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC will monitor the impact of this bill on revenue to the Restitution Fund.

SECTIONS AFFECTED:

Add Section 42008.5 to the Vehicle Code.

DEPARTMENT OF GENERAL SERVICES

AB 3103 (Bowler)

HIGHWAY PATROL

CHAPTER 305, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill codifies, without substantive change, the transfer accomplished by the Governor's Executive Reorganization Plan of 1995, which transferred the State Police from the jurisdiction of the Department of General Services (DGS) to the California Highway Patrol (CHP).

Of specific interest to the DGS, is the provision of the bill that creates a task force composed of various state agencies, including DGS, to discuss and recommend methods of improving the security of state agency offices where state employees have direct access with the public.

Prior to the transfer of the State Police from the DGS to the CHP, a task force on this issue was already established in statute under the leadership of the DGS, with a report date to the Legislature of January 1, 1995. The Governor's Executive Reorganization Plan of 1995 shifted the leadership of this task force to the CHP and extended the report date to January 1, 1996. This bill adds some additional technical clarifications and extends the report date by yet another year.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Buildings and Grounds (OBG).

The OBG should have no additional duties related to this bill because the above-referenced task force has already met and the required report (in draft form) is circulating.

SECTIONS AFFECTED:

Repeal and add Section 11015.5 of the Government Code.

DEPARTMENT OF GENERAL SERVICES

AB 3152 (Martinez)

TELEPHONES: HEARING IMPAIRED

CHAPTER 779, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill requires the Public Utilities Commission (PUC) to design and implement a program, beginning no later than January 1, 1998, to provide publicly available telecommunications devices to service the needs of the deaf or hearing impaired. Further, the bill requires the PUC to contract for the installation and maintenance of these devices and gives preference in the contracting to nonprofit corporations that meet specified requirements.

The bill establishes a rate recovery mechanism to recover the cost -- including any costs incurred by the owners, managers, or tenants of affected buildings and facilities -- of this program through the imposition of a surcharge on subscriber's bills, as specified. In addition, the bill makes several changes to an existing program that requires the installation of these devices in the homes of the disabled.

APPROPRIATION/FISCAL EFFECT:

Fiscal impact, if any, should be minimal and absorbable, or recoverable from funds derived from the PUC surcharge.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Buildings and Grounds (OBG).

The OBG may have some minimal responsibilities in coordinating and cooperating with the PUC in the implementation of the program established by the bill.

SECTIONS AFFECTED:

Add Section 2881.01 to, repeal and add Section 2881.2 of, the Public Utilities Code.

DEPARTMENT OF GENERAL SERVICES

AB 3176 (Brulte)

SCHOOL FACILITIES: CONSTRUCTION APPROVAL PROCESS

CHAPTER 478, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill requires the Joint Committee on School Facilities to submit a report to the Governor and the Legislature by July 1, 1997. The report shall contain recommendations for doing the following:

- Increasing privatization and standardization and other measures for streamlining the approval process set forth in this chapter.
- Reducing the costs of school construction.
- Increasing the local authority over the approval of site acquisition, plans and specifications for school facilities construction.

The bill also contains legislative declarations generally critical of the current state school building approval process.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

None required by the bill. However, the OPSC will likely be asked to provide technical expertise and data to the committee.

SECTIONS AFFECTED:

Add Section 17701.5 to the Education Code.

DEPARTMENT OF GENERAL SERVICES

AB 3204 (Knox)

9-1-1 SURCHARGE

CHAPTER 432, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill changes the date the 9-1-1 surcharge must be remitted to the Board of Equalization (BOE). Under the provisions of AB 3204, 9-1-1 surcharges will now be due on the last day of the second month following the month in which the surcharges were collected.

Under current law, the surcharge was calculated quarterly and not due until the last day of the second month following the quarter closing. For example, if the surcharge was collected in July, it would be due to the BOE November 30. Assembly Bill 3204 would require that the surcharge be remitted on September 30. Due to the "quarterly" remittance, each year the 9-1-1 account has required a "temporary" loan from the General Fund to cover program obligations.

APPROPRIATION/FISCAL EFFECT:

The monthly remittance of the 9-1-1 surcharge will eliminate the need for "temporary" annual loans from the General Fund and will provide a more stable revenue picture for the program.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Telecommunications Division (TD).

While the bill will provide a more stable revenue picture for the program, no additional program responsibilities are required by the bill.

SECTIONS AFFECTED:

Amend Sections 41051, 41052, 41076, 41088, and 41101 of the Revenue and Taxation Code.

DEPARTMENT OF GENERAL SERVICES

AB 3235 (Campbell)

**SCHOOL FACILITIES: YEAR-ROUND
SCHOOL GRANT PROGRAM**

VETOED

SUMMARY:

This bill, which was only applicable to the Antioch Unified School District, would have allowed the district to "repay funds" the district received under the Multi-Track Year-Round School Education Grant Program (MTYRE) and qualify for school construction funding projects under the State School Building Lease-Purchase Program (SSBLPP) after January 1, 1997, as though the district had not received any year-round school grants. The bill further required the Antioch Unified School District to provide at least 60 percent of the cost of construction for each construction project funded after January 1, 1997. The "repayment" of the MTYRE funds was to be implemented by the district paying an amount above the 60 percent for the first and subsequent projects that are funded under the SSBLPP until the full amount previously received had been equaled.

VETO MESSAGE:

I am returning Assembly Bill No. 3235 without my signature.

The author has requested that his bill be returned to the Assembly. I am honoring his request.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 3280 (Cunneen)

HEALTH AND WELFARE DATA CENTER

CHAPTER 1032, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill authorizes the Director of General Services, as agent for the Health and Welfare Agency Data Center (HWDC), to acquire the HWDC central building, annex, and any other related improvements, betterments, and facilities.

APPROPRIATION/FISCAL EFFECT:

There should be no fiscal impact on the Department of General Services (DGS). Any work elements required of DGS agencies to negotiate and approve title transfers for the sites will be funded through fee assessments attached to the transfer. The Health and Welfare Agency is estimated to save \$42.1 million in total costs over the next 25 years.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDS).

The OREDS will assist in the acquisition of the above facility as agent for the HWDC.

SECTIONS AFFECTED:

Add Sections 14669.16 and 15817.5 to the Government Code.

DEPARTMENT OF GENERAL SERVICES

AB 3441 (Sweeney)

**STATE CONTROLLER: FINANCIAL
REPORTS**

VETOED

SUMMARY:

This bill would have:

1. Authorized the Controller to assess a penalty of up to \$1,000 per day for each day a state agency, department, board, or commission is late in filing required financial statements or reports to the Controller.
2. Expanded the legal recourse and penalties that may be assessed against a local agency that fails or refuses to file a required report with the Controller's Office.

VETO MESSAGE:

I am returning Assembly Bill No. 3441 without my signature.

This bill would authorize the State Controller (SCO) to impose specified penalties upon, instead of withholding funds from, state agencies that fail to provide timely required financial reports to the SCO. It would also authorize the SCO to file small claims actions for payment of forfeiture penalties against local agencies that fail to file required reports on a timely basis, or to offset those penalties from any amounts owed to the local agency by the state. While I am supportive of making every effort to comply with legislatively mandated reporting deadlines, it's inappropriate to further financially burden local jurisdictions with the punitive provisions of this measure. This bill would unduly punish many small counties for lacking the available resources needed to comply with state reporting mandates.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

AB 3458 (Speier)

STATE LEGAL SERVICES: CONTRACTS

CHAPTER 386, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill requires that the Department of General Services (DGS), when approving contracts for legal services outside of the Attorney General's office, make state agencies demonstrate that the Attorney General has agreed to the use of such outside counsel. Additionally, AB 3458 requires that the DGS provide the Legislature with a quarterly list of all contracts for outside legal services that the DGS has reviewed and approved and exceed \$20,000. This list would include the name of the provider/firm, the length of the contract, hourly rates, and the need for such services.

APPROPRIATION/FISCAL EFFECT:

Minor, absorbable costs in providing the Legislature with quarterly reports.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Legal Services (OLS).

Until January 1, 2001, the DGS is to maintain a list of approved legal contracts that exceed \$20,000. This list shall be filed quarterly with the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget and include the name of the provider/firm, the length of the contract, hourly rates, and the need for such services.

SECTIONS AFFECTED:

Amend Section 10335 of the Public Contract Code.

DEPARTMENT OF GENERAL SERVICES

AB 3462 (Takasugi)

9-1-1 REIMBURSEMENTS

CHAPTER 746, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill, sponsored by the Department of General Services (DGS), clarifies existing law by establishing a pre-approved reimbursement rate for 9-1-1 telephone equipment to be paid by the DGS to local agencies. This pre-approved rate for 9-1-1 telephone equipment would be based on contracts negotiated by the department or an amount pre-approved by the DGS.

APPROPRIATION/FISCAL EFFECT:

Indeterminable potential savings.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Telecommunications Division (TD).

The TD will be required to negotiate reimbursement amounts with suppliers providing 9-1-1 equipment to local entities.

SECTIONS AFFECTED:

Amend Section 41138 of the Revenue and Taxation Code.

DEPARTMENT OF GENERAL SERVICES

AB 3488 (Ducheny)

BUDGET: SCHOOLS

CHAPTER 204, STATUTES OF 1996

EFFECTIVE DATE: July 20, 1996

SUMMARY:

This trailer bill to the 1996/97 Budget Bill appropriated \$50 million from the General Fund to the State Deferred Maintenance Fund for deferred maintenance projects. The bill requires that critical hardship projects be given priority (approximately \$38 million) and the balance used for regular deferred maintenance projects. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

Appropriates \$50 million from the General Fund to the State Deferred Maintenance Fund.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction OPSC).

The OPSC would administer the Deferred Maintenance Program in accordance with the bill.

SECTIONS AFFECTED:

Amend Sections 2558.45, 8208, 8265, 8450, 35160.5, 41203.1, 42238.145, 42243.7, 42301, 42258.9, and 56728.8 of, add Sections 8237 and 8451 to, add Article 5 (commencing with Section 51450) to Chapter 3 of Part 28 of, and add Chapter 3.1 (commencing with Section 58520) to Part 31 of, the Education Code.

DEPARTMENT OF GENERAL SERVICES

AB 3502 (Weggeland)

LEASE: CITY OF NORCO

CHAPTER 662, STATUTES OF 1996

EFFECTIVE DATE: September 19, 1996

SUMMARY:

This bill authorizes the Director of General Services, with the consent of the federal government and the Department of Corrections, to lease a two-acre parcel to the City of Norco for the development of a water treatment plant, for a term not to exceed 25 years. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

There should be no fiscal impact on the Department of General Services (DGS). Any work elements required of DGS agencies to negotiate and approve leases or title transfers for the sites will be funded through fee assessments attached to the transfer. To the extent there are financial proceeds from this lease, they will be deposited into the General Fund.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDS).

The OREDS will conduct the negotiations regarding the lease of the above parcel.

SECTIONS AFFECTED:

Add Section 14672.17 to the Government Code.

DEPARTMENT OF GENERAL SERVICES

SB 96 (Greene)

NEGOTIABLE NOTES

CHAPTER 23, STATUTES OF 1996

EFFECTIVE DATE: April 8, 1996

SUMMARY:

This bill expands the types of interim financing methods permitted by the state Public Works Board to include commercial paper, and makes other technical conforming changes. Further, this bill deletes the existing requirement that the Legislature specify the borrowing instrument to be used for the acquisition or construction of public buildings. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

According to the State Treasurer, this bill could generate an unknown, but potentially major, General Fund savings (\$1 million to \$5 million) to the extent that the interim borrowing costs are reduced through the issuance of commercial paper.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Project Development and Management (OPDM).
Office of Real Estate and Design Services (OREDS).

There are no additional program responsibilities required by this bill.

SECTIONS AFFECTED:

Amend Sections 15809, 15814.15, 15819.1, 15819.5, 15819.11, 15832.5, and 16731.6 of, and repeal Section 15810 of, the Government Code.

DEPARTMENT OF GENERAL SERVICES

SB 286 (Polanco)

PERFORMANCE-BASED PROCUREMENTS

VETOED

SUMMARY:

This bill would have established the Interagency Advisory Council for Small Business in Public Contracting and created an acquisition method called "Performance-Based Procurement."

The Interagency Advisory Council, to be established by the Secretary of the State and Consumer Services Agency, in collaboration with seven other state agency secretaries, had an unspecified number of members. The council would sunset on February 28, 2001. The purpose of the advisory council was to assist state agencies in providing contracting opportunities in state government for California's small businesses.

A Performance-Based Procurement (PBP) is an acquisition method to award information technology contracts when an agency can not adequately define and specify their business need. This type of procurement would allow a state agency to begin negotiations with a limited number of qualified vendors without pre-defining the scope of the project, specifications, or budgetary limitations. PBPs may be utilized when an agency has a business problem but, due to technological advancements, it would be more advantageous to allow a supplier to propose solutions to the business problem without being limited by predetermined specifications.

VETO MESSAGE:

I am returning Senate Bill No. 286 without my signature.

This bill would establish an Interagency Advisory Council for Small Business in Public Contracting, and would also introduce the Performance Based Procurement Model (PBPM) for controlled use in state acquisitions of electronic data-processing and telecommunications goods and services without competitive bidding.

Performance based procurements would allow state agencies to negotiate with a limited number of suppliers without being required to specifically state their business need in a bid format. This acquisition tool is helpful in the area of information technology where an agency can define their business problem, but may not have the expertise to sufficiently specify the technology necessary to solve that problem.

DEPARTMENT OF GENERAL SERVICES

SB 286 (Polanco)

(Continued)

However, this bill does not require this type of procurement to consider cost until after a vendor has been selected and a contract awarded. This is contrary to every prudent business practice and is not in the best interest of the state's taxpayers.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

SB 324 (Calderon)

**HAZARDOUS MATERIALS: MEDIATION-
ARBITRATION**

VETOED

SUMMARY:

This bill would have established the Environmental Responsibility Acceptance Act providing for the mediation of potential liability claims for any damage to real property by hazardous materials.

VETO MESSAGE:

I am returning Senate Bill No. 324 without my signature.

This bill would create a mechanism for the notification of parties responsible for a hazardous material release site and the mediation of potential liability claims relating to the cleanup of such property. The bill would require all property owners in the State to take reasonable steps to expeditiously identify and provide timely notice to any parties responsible for a release of hazardous materials which has been discovered on the owner's property. Failure to provide timely notice would result in the loss of specified property related damages for owners of commercial or industrial property and the mandatory mediation of issues associated with the cleanup of the property.

I am concerned that this bill could seriously impact the property rights and property values of many Californians, especially small businesses and landowners that may not be sophisticated enough to know about or understand many of the bill's provisions. This bill would impose a particularly significant financial burden on residential property owners by placing a new affirmative duty on owners of contaminated property to "expeditiously" notify parties responsible for the contamination (responsible parties) and by limiting the damages owners of contaminated property may recover from the responsible parties.

Additionally, this measure places the entire burden for notice on the property owner. Indeed there are situations where the responsible party is aware of the discharge and their failure to notify the property owner serves to exacerbate the hazard. As with the property owner, the responsible party bears a burden to inform the site owner and take the appropriate action to mitigate the hazard.

DEPARTMENT OF GENERAL SERVICES

SB 324 (Calderon)

(Continued)

Given the importance and complexities involved in this area of law, the more appropriate course of action is for the author to reintroduce this measure in the next legislative session. I remain convinced that a measure can be crafted which will expedite the clean-up of contaminated property. Thus, I would encourage the author to reintroduce legislation next year which will strike the needed balances between the property owner rights and the need to promptly clean-up hazardous waste.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

SB 577 (Rosenthal)

SEISMIC GAS SHUTOFF DEVICES

CHAPTER 152, STATUTES OF 1996

EFFECTIVE DATE: July 11, 1996

SUMMARY:

This bill requires the State Architect to certify automatic gas shutoff devices that are activated by variances in pressure as opposed to motion. Further, the bill replaces terminology in existing statute relating to seismic gas shutoff "valves" with the term seismic gas shutoff "devices." In addition, the bill makes a technical change relating to existing water heater bracing requirements. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

Unknown, possibly minor, costs to the Department of General Services (DGS) to certify additional devices. These costs can be recovered under existing fee authority.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Division of State Architect (DSA).

This bill requires the DSA to certify automatic gas shutoff devices that are activated by variances in pressure as opposed to motion.

SECTIONS AFFECTED:

Amend Sections 19180, 19181, 19182, 19183, 19201, 19202, 19203, 19204, and 19211 of, amend the heading of Article 7 (Commencing with Section 19200) of Chapter 2, of Part 3 of Division 13 of, add Section 19201.5 to, the Health and Safety Code.

DEPARTMENT OF GENERAL SERVICES

SB 580 (Wright)

PAROLE: RESTITUTION

CHAPTER 705, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

Currently, the California Department of Corrections (CDC) and Board of Prison Terms are authorized to impose as a condition of parole that a prisoner make payments on outstanding restitution fines or orders. The CDC is also authorized to collect such payments from parolees.

This bill would authorize the CDC to contract with a private debt collection agency or with the Franchise Tax Board, whichever is more cost-effective, to make collections from parolees who have failed to make restitution payments. The bill also requires CDC by January 1, 1998, to develop an implementation plan for the collection and disbursement of victim restitution orders that are imposed as a condition of parole.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC will work with CDC to develop the implementation plan required by the bill.

SECTIONS AFFECTED:

Add Section 3000.05 to the Penal Code.

DEPARTMENT OF GENERAL SERVICES

SB 1185 (Leonard)

**CALIFORNIA SCHOOL FINANCE
AUTHORITY**

CHAPTER 1071, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill, sponsored by the administration, would authorize the California School Finance Authority (CSFA) to issue for sale revenue bonds up to \$400 million per fiscal year with no more than \$4 billion outstanding at any time, to fund loans to school districts for the acquisition and construction of new, and modernization of existing, K-12 school facilities. The bill also provides that up to \$150 million of the annual \$400 million authorized may fund joint venture projects for school construction. A district is required to notify the Controller of the district's proposed repayment schedule and identify a trustee through which the payment schedule will be implemented. Should the district be unable to make a scheduled payment, the Controller is authorized to distribute the amount of the payment amount from the school district's revenue apportionment to the trustee for repayment of the loan.

In addition, the bill would require that by January 1, 2001, the CSFA report to the Legislature on the number and financial stability of school districts and county offices of education participating in the program. The bill contains a sunset date of January 1, 2006, unless extended by statute enacted prior to that date.

APPROPRIATION/FISCAL EFFECT:

This bill would authorize the CSFA to issue for sale revenue bonds up to \$400 million per fiscal year with no more than \$4 billion outstanding at any time, to fund loans to school districts for the acquisition and construction of new, and modernization of existing, K-12 school facilities. The use of revenue bonds instead of general obligation bonds to fund school facilities needs has the advantage of including a repayment mechanism that does not place additional debt burden on the state's General Fund.

DEPARTMENT OF GENERAL SERVICES

SB 1185 (Leonard)

(Continued)

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The bill provides an alternative funding mechanism to the State School Building Lease-Purchase Program (SSBLPP).

Joint venture projects funded under this program are subject to criteria adopted by the State Allocation Board (SAB).

SECTIONS AFFECTED:

Amend Sections 17850, 17882, 17883, and 17899.3 of, add and repeal Section 17899.4 of, the Education Code.

DEPARTMENT OF GENERAL SERVICES

SB 1266 (Kopp)

**DOIT: INFORMATION
TECHNOLOGY PLANS AND
POLICIES**

VETOED

SUMMARY:

This bill would have required the Director of the Department of Information Technology (DOIT) to develop plans and policies for telecommunications and information technology project management. These plans and policies would have infringed upon the statutory requirements and the operational policies of the Department of General Services, Procurement and Telecommunications Divisions.

VETO MESSAGE:

I am returning Senate Bill No. 1266 without my signature.

This bill would require the Director of the Department of Information Technology to develop plans and policies for telecommunications and information technology project management.

The Department of Information Technology was created pursuant to Chapter 508, 1995 (SB 1/Alquist). This bill articulated the policy role for the Department and affirmed that responsibility for procedures rested with the Department of General Services.

SB 1266, by using the term project management, would assign responsibility of acquisition and operational responsibility to the Department of Information Technology. This responsibility belongs to the Department of General Services. As affirmed by existing law, placing operational responsibility with the Department of information Technology is inappropriate and would detract from the Department's responsibility to provide critical policy development and oversight for the State.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

SB 1330 (Alquist)

EDUCATION FINANCE

CHAPTER 78, STATUTES OF 1996

EFFECTIVE DATE: June 27, 1996

SUMMARY:

This bill allows unused site assessment fees to be deposited into the state Deferred Maintenance Fund. These fees are collected annually from districts for sites that are not being used as schools. The fees are held in the state School Site Utilization Fund for a two-year period in the event of a refund request and, historically, have then been transferred into the state General Fund. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

Additional revenue to the Deferred Maintenance Fund.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The bill provides additional funds for the Deferred Maintenance Program which will be administered by the OPSC.

SECTIONS AFFECTED:

Amend Section 39018 of, add Section 41203.3 to, the Education Code.

DEPARTMENT OF GENERAL SERVICES

SB 1418 (Thompson)

**STATE PROPERTY: SONOMA
DEVELOPMENTAL CENTER**

CHAPTER 1144, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill places specific conditions on a lease agreement entered into by the Director of the Department of General Services (DGS) if DGS leases former orchard property located at the Sonoma Development Center for agricultural purposes. Requires the net proceeds of the lease to be divided evenly between the Department of Developmental Services and the General Fund.

APPROPRIATION/FISCAL EFFECT:

There should be no fiscal impact on the DGS. Any work elements required of DGS agencies to negotiate and approve leases for the site will be funded through fee assessments attached to the transfer. If leases on the property are consummated, an additional \$400,000 to \$600,000 per year (estimated revenue) may be generated for the state. Under this bill, half of those projected revenues will be deposited into the General Fund.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDS).

The OREDS is responsible for negotiating a lease at the site in compliance with the requirements of the bill and other requirements of existing law.

SECTIONS AFFECTED:

Add Section 14670.10 to the Government Code.

DEPARTMENT OF GENERAL SERVICES

SB 1490 (Rogers)

EARTHQUAKE HAZARD MITIGATION TECHNOLOGIES

VETOED

SUMMARY:

This bill would have required the State Architect to develop, maintain, and submit guidelines to the California Building Standards Commission related to the application of earthquake hazard mitigation technologies to buildings, as specified. Further, effective July 1, 1997, the bill required architects, engineers, and structural engineers to deliver a disclosure statement to their clients. In addition, the bill required the Seismic Safety Commission, the State Architect, and the Strong Motion Office of the Division of Mines and Geology to encourage, as a matter of policy, business and industry to make private investment in earthquake hazard mitigation technology.

VETO MESSAGE:

I am returning Senate Bill No. 1490 without my signature.

This bill would require guidelines for the application of seismic technologies in the California Building Standards Code, and would obligate building design professionals in the private sector to disseminate a specified statement describing the Code's seismic standards.

Existing seismic safety standards in state law require compliance for the protection of the public. The disclosure statement required by this bill is an implied argument that the owner should seek a still higher standard to protect his real property so that it "will remain functional during and after a major seismic event". While this is a laudable goal, it is one that applies to all projects for which an architect, civil engineer, or structural engineer, is employed. There are a great many circumstances in California where such a disclosure statement would be completely unnecessary. As such, it simply makes no sense to impose this requirement on every design, development, construction, retrofitting, repair, or renovation project which involves these professions.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

SB 1500 (Mountjoy)

SURPLUS PROPERTIES

CHAPTER 417, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill, sponsored by the Department of General Services (DGS):

1. Authorizes the Director of General Services, with the approval of the Public Works Board, to sell, exchange, or lease four parcels of state property.
2. Authorizes the Director of General Services to transfer -- at no cost -- two parcels of state prison property in order to facilitate projects that will benefit two prisons.
3. Rescinds the surplus designation of three parcels that were declared surplus under prior legislation.
4. Authorizes the Department of Parks and Recreation to dispose of a two-acre parcel of park property, as specified.
5. Authorizes the state to impose covenants, codes, and restrictions (CC&Rs) on a parcel of state-owned land in conformance with a recent agreement to sell existing surplus property at Agnews State Hospital.
6. Clarifies the scope of seven (existing surplus) properties.

APPROPRIATION/FISCAL EFFECT:

The combined value of the four parcels to be disposed of is estimated at \$1.7 million. The value of the seven existing surplus properties, of which this bill clarifies the scope, is still to be determined through market studies. Disposing of these properties will provide additional revenue to the state. Imposing CC&Rs on the remaining state-owned parcel at Agnews State Hospital will release an additional \$4 million dollars to the General Fund from escrow according to the terms of the sales agreement.

There should be no fiscal impact on the DGS. Any work elements required of the DGS to negotiate and approve leases or title transfers for the sites will be funded through fee assessments attached to the transfer.

DEPARTMENT OF GENERAL SERVICES

SB 1500 (Mountjoy)

(Continued)

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDS).

The OREDS is responsible for disposing state surplus properties.

SECTIONS AFFECTED:

Amend Section 14670.95 of the Government Code.

Amend Section 6 of Chapter 1309, Statutes of 1990; Section 4 of Chapter 620 of the Statutes of 1989; and Section 1 of Chapter 761 of the Statutes of 1976.

DEPARTMENT OF GENERAL SERVICES

SB 1544 (Peace)

SCHOOL FACILITIES IMPROVEMENT DISTRICTS: BONDS

CHAPTER 1072, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill makes several changes in the requirements that a school district must meet when establishing school facilities improvement districts to issue general obligation bonds, which could increase the potential use of this mechanism for funding school facilities. The changes include the following:

1. School districts would no longer be required to have a Mello-Roos district within its boundaries as a precondition to forming a school facilities improvement district.
2. School districts would no longer be required to place **all** the territory within the school district that is not in the Mello-Roos district into the newly formed school facilities district.
3. The governing board must make a finding that the overall cost of financing through a school facilities improvement district is less than any other school facilities financing option available to the district.

Finally, the bill clarifies that the limit on the combined bonded indebtedness that a school district may incur through school improvement districts and other bonded indebtedness is 2.5 percent of assessed value for unified districts and 1.25 percent of assessed value for elementary or high school districts.

APPROPRIATION/FISCAL EFFECT:

The bill could increase the use of school facilities improvement districts as a funding mechanism for school facilities construction within a portion of a school district. The bill potentially could lessen the demand on State School Building Lease-Purchase Program (SSBLPP) funding.

DEPARTMENT OF GENERAL SERVICES

SB 1544 (Peace)

(Continued)

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

There are no additional program responsibilities required by this bill.

SECTIONS AFFECTED:

Amend Sections 15300, 15301, 15303, 15320, 15322, 15323, 15324, 15326, 15327, 15336, 15342, 15349, 15350, 15351, 15352, 15353, 15356, 15357, 15358, 15359, 15359.1, 15359.2, 15380, 15381, 15384, 15390, 15391, 15400, 15401, 15403, 15404, 15405, 15410, 15411, 15412, 15421, and 15425 of, add Section 15334.5 to, the Education Code.

DEPARTMENT OF GENERAL SERVICES

SB 1562 (Greene)

SCHOOL FACILITIES

CHAPTER 277, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1998

SUMMARY:

Senate Resolution 24 (Greene, 1995) requested the Legislative Counsel Bureau to submit a proposal by January 1, 1996, to consolidate and reorganize the portions of law that deal with school facilities construction or finance.

This bill would codify the recommendations that were submitted by the Legislative Counsel pursuant to SR 24. Specifically, the bill:

1. Consolidates all sections relating to school facilities that are currently scattered throughout the Education Code into one area of the code, beginning with section 15000.
2. Repeals provisions in the Government Code related to school-levied developer fees and enacts those same provisions in the Education Code.
3. Declares that the provisions of the bill shall be construed as restatements of existing statutory provisions and not as a new enactment.
4. Declares that because this bill is non-substantive in nature, no additional costs or duties are imposed on local agencies.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

No additional program responsibilities for OPSC since there are no changes to existing programs.

DEPARTMENT OF GENERAL SERVICES

SECTIONS AFFECTED:

Add Part 10.5 (commencing with Section 17211) and Part 23 (commencing with Section 38000) to, repeal and add Part 10 (commencing with Section 15100) of, repeal Part 10.5 (commencing with Section 17900) and Part 23 (commencing with Section 39001) of, the Education Code.

Repeal Sections 53080, 53080.1, 53080.15, 53080.2, 53080.3, 53080.4, 53080.6, and 53081 of the Government Code.

DEPARTMENT OF GENERAL SERVICES

SB 1567 (Kelley)

COACHELLA VALLEY MOUNTAIN CONSERVANCY

CHAPTER 963, STATUTES OF 1996

EFFECTIVE DATE: September 26, 1996

SUMMARY:

This bill makes a number of changes related to the Coachella Valley Mountains Conservancy:

1. Makes the conservancy an agency within the Resources Agency.
2. Changes the number of voting members on the governing board from 19 to 20, and makes other changes related to the size and staffing of the board.
3. Requires gifts of personal property to the conservancy to be deemed approved unless disapproved by the Department of Finance within 60 days.
4. Exempts the acquisition of property valued at less than \$250,000 from the Property Acquisition Law.
5. Authorizes the conservancy to transfer mountainous lands to another public agency or a conservation-oriented nonprofit corporation, subject to the review of the Department of General Services (DGS).
6. Authorizes the use of eminent domain authority by the state Public Works Board on behalf of the conservancy for the acquisition of uninhabited mountainous lands, unless objected to by the affected local jurisdiction or Native American tribe, as specified.

The bill contains an urgency clause.

DEPARTMENT OF GENERAL SERVICES

SB 1567 (Kelley)

(Continued)

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

This bill would not significantly affect the programs and policies of the DGS.

SECTIONS AFFECTED:

Amend Sections 33501, 33503, 33507, 33601, 33605, 33701, and 33702 of, add Section 33806 to, repeal Section 33504 of, and repeal and add Section 33800 of, the Public Resources Code.

DEPARTMENT OF GENERAL SERVICES

SB 1685 (Kopp)

RESTITUTION

CHAPTER 629, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill makes various changes to the law relative to the imposition and collection of restitution orders. Specifically, this bill:

- Extends the time period when it is considered a crime for a convicted person to, prior to sentencing, sell, assign, convey, or conceal property with the intent to lessen his or her ability to pay any fine or restitution that is ordered.
- Requires courts to impose a specific dollar amount for restitution orders and requires ten days notice to victims of any subsequent proceedings to modify a restitution order.
- Requires probation officers to inform victims of the victim's responsibility to furnish information relevant to his or her losses and also advise the victim of the right to enforce a restitution order as a civil judgment.
- Requires probation officers to establish an account into which any restitution payments to the victim or to the Restitution Fund are deposited.
- Requires the Judicial Council, in consultation with the Board of Control (BOC), to develop or amend forms consistent with the bill by June 30, 1997.
- Adds to the responsibilities of county victim/witness assistance centers by requiring them to assist local probation departments in ascertaining the victim's economic losses.

APPROPRIATION/FISCAL EFFECT:

Because this bill extends the period for which a convicted offender may be in violation of a crime for selling or conveying property in order to lessen his or her ability to pay any restitution fine or order, the bill should result in some unknown increase in payment of such fines and orders. The increase in payment of restitution orders should also indirectly benefit the Restitution Fund since victims in some cases may not apply for assistance under the Victims of Crime Act; or if they have received benefits for the program, the Restitution Fund is authorized under

DEPARTMENT OF GENERAL SERVICES

SB 1685 (Kopp)

(Continued)

existing law to recoup the amount of those benefits from restitution order payments received by the victim. Educating the courts on the requirement to impose restitution fines and orders should significantly increase deposits in the Restitution Fund.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The increase in payment of orders should also indirectly benefit the Restitution Fund since victims in some cases may not have applied for assistance under the VOC Act; or if they have received benefits for the program, the Restitution Fund is authorized under existing law to recoup the amount of those benefits from restitution order payments received by the victim.

SECTIONS AFFECTED:

Amend Sections 155.5, 1191.2, 1202.4, 1202.8, 1214, and 13835.5 of the Penal Code.

DEPARTMENT OF GENERAL SERVICES

SB 1689 (Kopp)

**SALE OF SURPLUS GOVERNMENT
LAND: SCHOOL DISTRICTS**

VETOED

SUMMARY:

Existing law (Government Code Section 54222) requires any state or local agency disposing of surplus land to send a written offer to sell or lease to specified public agencies, including school districts. Generally, the offer to sell may be at a price reflective of **fair market value**. Existing law (Education Code Section 39390, et seq.) (commonly referred to as the Naylor Act) also provides that, in the case of school districts wishing to sell playground or recreational property, an offer to sell must be made to specified public agencies at a price that is generally less than fair market value (but in no case less than 25 percent of market value). The formula specified for the price is **cost of acquisition adjusted for inflation, plus any improvements**.

This bill places the same requirement on agencies selling surplus property to a school district where the whole or a portion of the land is to be used for school playground or other outdoor recreational facilities. The bill would require the purchase price to be the cost of acquisition adjusted for inflation, plus any improvements, not fair market value. The agency selling such property is only required to sell such property at the lower price if the school district is the sole responsible bidder.

VETO MESSAGE:

I am returning Senate Bill No. 1689 without my signature.

This bill would restrict the price that may be charged when a local government sells surplus land to a school district. In those transactions, this bill would require a price that may not exceed the purchase price plus an annual cost of living adjustment from the date of purchase, plus the price of any improvements to the property.

There were two bills this year that dealt with the unfairness of property disposition and acquisition by school districts - this one, and one that was sponsored by this Administration, SB 1873 (Greene). In contrast to this measure, SB 1873 removed the penalty imposed on schools when they attempt to dispose of surplus property. Under current law, schools have little or no incentive to sell surplus property, since existing law requires the sale to another public agency to be offered at a deep discount, usually resulting in a sales price of roughly 25 percent of market value.

DEPARTMENT OF GENERAL SERVICES

SB 1689 (Kopp)

(Continued)

While I appreciate the fact that this bill would require local governments selling property to offer the same deep discount when selling property to school districts, the whole approach is in the wrong direction. We should be enacting laws that encourage public agencies, including school districts, to get rid of surplus property, rather than acquiring property from each other at fire sale prices.

Cordially,

PETE WILSON

DEPARTMENT OF GENERAL SERVICES

SB 1736 (Kelley)

**CUYAMACA RANCHO STATE PARK:
BOY SCOUTS**

CHAPTER 315, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill authorizes the Department of Parks and Recreation to enter into an agreement, for a period not less than 20 years and not to exceed 25 years, with the Desert Pacific Council of the Boy Scouts of America for the use of a portion of the Cuyamaca Rancho State Park. This agreement is subject to the approval of the Director of General Services.

APPROPRIATION/FISCAL EFFECT:

There should be no fiscal impact on the Department of General Services (DGS). Any work elements required of DGS agencies to negotiate and approve leases for the sites will be funded through fee assessments attached to the transfer. To the extent there are financial proceeds from this lease, they will be deposited into the General Fund.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDSD).

This bill authorizes an agreement to occur and does not impose any specific conditions or limitations on the agreement other than a range of years. The Department of Parks and Recreation and the DGS are provided with broad authority to negotiate the agreement, or reject it if it is not in the best interests of the state.

SECTIONS AFFECTED:

Amend Section 5067 of the Public Resources Code.

DEPARTMENT OF GENERAL SERVICES

SB 1763 (Committee on Budget and Fiscal Review)

**BUDGET TRAILER
BILL: STATE
GOVERNMENT**

CHAPTER 191, STATUTES OF 1996

EFFECTIVE DATE: July 20, 1996

SUMMARY:

This trailer bill to the 1996/97 budget amends existing statutes for the purpose of enabling the Departments of Consumer Affairs and General Services to conclude Performance Budget Contracts with the Legislature as provided for in Government Code Section 11805. Section 1 pertains to the Department of Consumer Affairs; it re-authorized legislation enacted for FY 1995-96. Sections 2 and 3 pertain to the Department of General Services (DGS) and incorporate the language of 1996-97 Budget Act (SB 1393) Item 1760-001-0666, Provisions 5-25. Section 3 adds language on financial performance and alternative performance budget displays and sets a sunset date for the Performance Budget Pilot Project of July 1, 1999, for the DGS.

The bill's provisions will streamline state government and provide better and more cost-effective services to state agencies. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

The bill's provisions allow the DGS to operate more efficiently; however, at this time, the DGS is unable to quantify the dollar savings resulting from these increased efficiencies.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES: All offices.

This bill permits the Director of the DGS to increase the budgets of all offices by ten percent, under certain circumstances. It further requires all offices to develop performance measures and permits offices to waive certain other budgetary and civil service procedures, as specified. Finally, it removes requirements that all state agencies must use the services of the Offices of State Printing, Risk and Insurance Management, and Information Services.

SECTIONS AFFECTED:

Add and repeal Section 117 of the Business and Professions Code.
Add Sections 11808 and 11808.1 to the Government Code.

DEPARTMENT OF GENERAL SERVICES

SB 1770 (Johnston)

**BUDGET TRAILER BILL: STATE
ASSETS**

CHAPTER 193, STATUTES OF 1996

EFFECTIVE DATE: July 20, 1996

SUMMARY:

This trailer bill to the 1996/97 budget:

1. Authorizes the disposal of 36 state properties that were listed on the Surplus Property Inventory, as specified.
2. Makes various declarations regarding state facility planning within the Capitol area.
3. Requires an environmental impact report to be prepared governing several state-owned building sites in the Capitol Area.
4. Requires facilities consolidation plans to be prepared for three specified state departments on state-owned sites bordering the east and southeast end of Capitol Park.
5. Requires the preparation of a comprehensive regional plan for the acquisition of state office space within the Sacramento region.
6. The bill contains an urgency clause.

APPROPRIATION/FISCAL EFFECT:

None.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Real Estate and Design Services (OREDS).
Office of Project Development and Management (OPDM).

The OREDS will supervise the disposal of 36 state properties that were declared surplus by this bill.

DEPARTMENT OF GENERAL SERVICES

SB 1770 (Johnston)

(Continued)

The OPDM will:

1. Prepare the environmental impact report governing several specified state-owned building sites in the Capitol Area.
2. Prepare consolidation plans for three specified state departments on state-owned sites bordering the east and southeast end of Capitol Park.
3. Prepare a comprehensive regional plan for the acquisition of state office space within the Sacramento region.

SECTIONS AFFECTED:

Repeal and add Section 11011.21 of the Government Code.
Amend Section 1 of Chapter 648 of the Statutes of 1992.
Various uncodified sections.

DEPARTMENT OF GENERAL SERVICES

SB 1777 (O'Connell)

**BUDGET TRAILER BILL: CLASS SIZE
REDUCTION**

CHAPTER 163, STATUTES OF 1996

EFFECTIVE DATE: July 15, 1996

SUMMARY:

This trailer bill to the 1996/97 budget creates the Class Size Reduction Program by providing funding to school districts to reduce class size in grades K-3 to no more than 20 pupils per classroom. This bill requires that the Superintendent of Public Instruction (SPI) apportion an amount equal to \$650 per each pupil enrolled in these grades. Funds will be provided starting with grade 1 until all requests are satisfied, then move to grade 2, and then to grade 3, until a maximum amount of \$771 million is expended. The bill contains an urgency clause. See SB 1789 (Greene).

APPROPRIATION/FISCAL EFFECT:

The bill appropriates \$771 million from the General Fund to the SPI for the Class Size Reduction Program.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The OPSC is not involved in the administration of this program; however, there will be residual involvement as the OPSC will be required to exclude from lease-purchase eligibility calculations any teaching station acquired or constructed under this program.

SECTIONS AFFECTED:

Amend Sections 33050 and 46205 of, add Chapter 6.10 (commencing with Section 52120) to Part 28 to, the Education Code.

DEPARTMENT OF GENERAL SERVICES

SB 1789 (Greene)

**BUDGET TRAILER BILL: SCHOOL
FACILITIES: CLASS SIZE REDUCTION
FACILITIES FUNDING**

CHAPTER 164, STATUTES OF 1996

EFFECTIVE DATE: July 15, 1996

SUMMARY:

This trailer bill to the 1996/97 budget creates the Class Size Reduction Facilities Funding Program to provide funding to school districts to reduce class size in grades K-3 to no more than 20 pupils per classroom. This bill requires that the Superintendent of Public Instruction (SPI) apportion an amount equal to \$25,000 per teaching station, starting with grade 1, until a maximum amount of \$200 million is expended. The bill contains an urgency clause. See SB 1777 (O'Connell).

APPROPRIATION/FISCAL EFFECT:

The sum of \$200 million is appropriated, without regard to fiscal year, from the General Fund to the SPI for allocation to school districts for the purposes of the Class Size Reduction Facilities Funding Program.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The OPSC is not involved in the administration of this program; however, there will be residual involvement as the OPSC will be required to exclude from lease-purchase eligibility calculations any teaching station acquired or constructed under this program.

SECTIONS AFFECTED:

Amend Sections 17742 and 17742.7 of, add and repeal Chapter 23 (commencing with Section 17770) of Part 10 of, the Education Code.

DEPARTMENT OF GENERAL SERVICES

SB 1872 (Greene)

SCHOOL FACILITIES: COMMUNITY
SCHOOLS

CHAPTER 1059, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill includes the following provisions:

1. Allows county-operated community schools to apply to the State Allocation Board (SAB) to lease portable buildings that contain specified upgrades if a county superintendent furnishes evidence that the county has no other facility available for rent, lease, or purchase in the geographic service area.
2. Allows county-operated community schools to apply for state funds for the acquisition and preparation of the sites on which to place these portable buildings. (Land acquisition is limited to no more than 10,000 square feet per portable classroom.)
3. Allows the SAB, with the advice of the Superintendent of Public Instruction (SPI), to establish qualifications to determine eligibility of county superintendents to lease portables under the bill, provided that a county superintendent of schools is eligible to receive one portable classroom for each 15 units of Average Daily Attendance (ADA) claimed by the county in the prior fiscal year. (Only time spent in the classroom shall be included in the calculation of ADA.)
4. Requires that the portable building leased to community schools shall be adequately equipped, including sinks and restrooms.
5. Provides that classrooms in school districts operating community day schools **(not to be confused with county-operated community schools)** for students who have been expelled, probation referred, or referred by a school attendance review board shall be excluded from the area of adequate school construction if the classroom is not located on a regular elementary, middle, junior high, or senior high school site.

DEPARTMENT OF GENERAL SERVICES

APPROPRIATION/FISCAL EFFECT:

The number and extent of county participation in the lease-purchase program under the provisions of this bill are unknown. Therefore, we are unable to estimate the full fiscal impact of the bill's provisions on lease-purchase program funds.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The OPSC may need to augment staff to review applications and plans, release funds, and audit projects.

SECTIONS AFFECTED:

Amend Sections 1986, 17716, and 17742 of, add Sections 17717.2, 17732.5, and 17747.6 to, the Education Code.

DEPARTMENT OF GENERAL SERVICES

SB 1935 (Monteith)

MERCED UNION HIGH SCHOOL
DISTRICT

CHAPTER 760, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill would authorize the Merced Union High School District to use money in its Adult Education Fund to purchase up to 20 existing district-owned classrooms and facilities for the exclusive use of its adult education program. The bill also requires the district selling the classrooms to use the proceeds of the sale to replace an equal number of classrooms within the district. **The bill is necessary in order to authorize the use of adult education funds for the purchase of facilities not currently being used for adult education.**

APPROPRIATION/FISCAL EFFECT:

The bill is revenue neutral for the State School Building Lease-Purchase Program (SSBLPP).

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Public School Construction (OPSC).

The bill has no impact on the OPSC or the SSBLPP.

SECTIONS AFFECTED:

Add Section 52616.5 to the Education Code.

DEPARTMENT OF GENERAL SERVICES

SB 2032 (Mountjoy)

INDEMNITY

CHAPTER 558, STATUTES OF 1996

EFFECTIVE DATE: January 1, 1997

SUMMARY:

This bill prohibits a public agency from requiring a contractor to purchase insurance which would indemnify the public agency for its own negligence as well as joint negligence as currently prohibited under Civil Code Section 2782(b).

Under existing law, Section 2782(b) of the Civil Code (with certain exceptions) declares void and unenforceable any provisions, clauses, covenants, or agreements **contained in or affecting public agency construction contracts** that impose on the contractor, or relieves the public agency of, liability for the active negligence of the public agency.

APPROPRIATION/FISCAL EFFECT:

The exact fiscal impact is very difficult to estimate at this time.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Risk and Insurance Management (ORIM).

The ORIM will still require contractors to provide insurance certificates naming the state as additional insureds, but will no longer require the contractor to cover the state for its sole negligence or joint negligence.

SECTIONS AFFECTED:

Add Section 11580.04 to the Insurance Code.

DEPARTMENT OF GENERAL SERVICES

SB 2095 (Johnston)

**CLAIMS AGAINST THE STATE:
APPROPRIATION**

CHAPTER 487, STATUTES OF 1996

EFFECTIVE DATE: September 12, 1996

SUMMARY:

This bill, sponsored by the Department of General Services (DGS), is one of two omnibus claims bills that the Board of Control (BOC) is required to submit to the Legislature each year. This bill appropriates \$3,250,149.51 from various funds and accounts to the board for payment of 249 claims approved by the board. The bill contains an urgency clause. (See AB 2179.)

APPROPRIATION/FISCAL EFFECT:

Appropriates \$3,250,149.51 from various funds and accounts.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Board of Control (BOC).

The BOC is responsible for obtaining releases and making payment to the claimants.

SECTIONS AFFECTED:

Uncodified.

DEPARTMENT OF GENERAL SERVICES

SCR 63 (Thompson)

JUSTICE JOSEPH A. RATTIGAN
BUILDING

RESOLUTION CHAPTER 82, STATUTES OF 1996

EFFECTIVE DATE: September 11, 1996

SUMMARY:

This resolution renames the Santa Rosa State Office Building after Justice Joseph Austin Rattigan, a former state Senator and Justice for the First Appellate District Court of Appeal. The resolution requires the Department of General Services (DGS) to determine the costs of the appropriate plaques and markers, consistent with the signing requirements for state buildings, and erect those signs and markers after receiving donations covering the cost from non-state sources.

APPROPRIATION/FISCAL EFFECT:

This resolution would impose only minimal and absorbable duties and costs upon the DGS. The costs will be recoverable through donations.

DGS OFFICE(S) AFFECTED/RESPONSIBILITIES:

Office of Buildings and Grounds (OBG).

The OBG will determine the costs of the appropriate plaques and markers, consistent with the signing requirements for state buildings, and erect those signs and markers after receiving donations covering the cost from non-state sources.

SECTIONS AFFECTED:

Uncodified.

DEPARTMENT OF GENERAL SERVICES

AB 2281 (Aguiar)

PREVAILING WAGES

SUMMARY:

This bill would have increased the existing cost threshold in the Labor Code, which triggers the payment of prevailing wages on public works projects from \$1,000 to \$100,000 for construction work, and \$1,000 to \$15,000 for alteration, demolition, repair, or maintenance work. For those agencies which operate a specified labor compliance program, the bill would have increased the existing prevailing-wage cost threshold from \$25,000 to \$100,000. Further, regarding the calculation of prevailing wage rates, the bill would have required that if a single wage rate is not paid to at least 30 percent of the workers engaged in a particular craft within a locality, then the Director of Industrial Relations shall calculate the prevailing wage based upon a weighted average method, as specified. In addition, the bill would have appropriated \$1.3 million to the Department of Industrial Relations, specified the method of calculating prevailing wages, and addressed other issues related to contractor/subcontractor liability for nonpayment of prevailing wages.

STATUS:

Died, Senate Inactive File.

DEPARTMENT OF GENERAL SERVICES

AB 2708 (Brulte)

SCHOOL FACILITIES FINANCE

SUMMARY:

This bill, which was sponsored by the administration, would have established a new policy and process for the allocation of school bond funds approved by the voters after January 1, 1997, by creating new eligibility criteria and applying a simplified, formula-driven grant apportionment procedure.

Specifically, this bill would have:

1. Established the School Facilities Grant Program and modified the method for allocating all state bond funds approved after January 1, 1997, and used for the new construction or renovation of school facilities.
2. Required the Department of General Services (DGS) to administer the program and maintain the State Allocation Board's (SAB) responsibility to determine eligibility of school districts, approve applications, compute grant amounts, and authorize transfer of apportionments. This bill specified that all existing powers and duties of the State Department of Education (SDE) and DGS with respect to school facilities remain unchanged.
3. Created the School Facilities Grant Fund in the State Treasury, which would have been used by the SAB to apportion all approved local assistance grant funds into county school facilities funds created in each county treasury, for the purposes of financing new construction and renovation.
4. Released the SAB from any liability and placed any responsibility on local school districts with respect to damages caused by a school district relating to new construction or renovation of school facilities financed with grant funds.
5. Required school districts to have incurred at least 50 percent of its bonded indebtedness capacity, through local general obligation bonds, School Facilities Improvement District bonds, or Mello-Roos bonds, as specified, in order to be eligible for new construction or renovation grants.
6. Required school districts to verify enrollment growth from FY 94/95 or from the date of the last funded Average Daily Attendance (ADA), plus ADA growth projected in the following three years, in order to be eligible for new construction grant funds.

DEPARTMENT OF GENERAL SERVICES

AB 2708 (Brulte)

(Continued)

7. Required school districts to certify that a building is at least 30 years old, has not been rehabilitated before, and a need still exists for the continuous use of the facility in order to be eligible for renovation grant funds. This requirement may be waived if the facility is currently considered a health or safety hazard, as specified.
8. Required the SAB to approve applications for new construction or renovation grants from a school district if the district had met the eligibility requirements and funds were available in the School Facilities Grant Fund for apportionment.
9. Required a school district that received a grant to enter into an agreement with the SAB specifying that it would comply with all requirements of the School Facilities Grant Program, state the use of the grant funds received, keep proper documentation, return grant funds to the state if the district failed to meet the specified requirements, include the appropriateness of grant fund expenditures in its annual financial audit, and fulfill other requirements as specified.
10. Required the SAB to determine the amount of each new construction grant awarded by multiplying a currently unspecified dollar amount, adjusted annually by the construction cost index, by the calculated growth in units of ADA used to determine eligibility. This amount would be reduced by the amount of any local bond funds approved after January 1, 1997, that is applied in order to reach the 50 percent bonded indebtedness threshold for eligibility.
11. Prohibited grants to be awarded for amounts that funded less than ten ADA.
12. Required 15 percent of a new construction grant to be apportioned upon approval of the grant application and the remaining amount awarded upon approval of site selection and appropriate plans and specification by the SDE and DGS.
13. Required a renovation grant to be in an amount equal to a currently unspecified percentage of the replacement cost of the proposed renovated facility. This amount would be reduced by the amount of any local bond funds approved after January 1, 1997, that is applied in order to reach the 50 percent bonded indebtedness threshold for eligibility.
14. Required renovation grants to be awarded in full at the time the school district had received all the necessary approvals from the SDE and DGS.

AB 2708 (Brulte)

(Continued)

DEPARTMENT OF GENERAL SERVICES

15. Specified the allowable costs to which new construction and renovation grants may be applied. For example, this bill prohibited renovation grants from being used for the acquisition and development of real estate or for routine maintenance and repair costs.
16. Required a school district to expend properly the initial 15 percent allocation of grant funds within two years of receipt, and the remaining balance of the grant within five years of receipt in accordance with its agreement, or be required to return the grant funds with interest to the state.

STATUS:

Died, Senate Education Committee.

DEPARTMENT OF GENERAL SERVICES

AB 2990 (Bowen)

ALTERNATIVE PROTEST PILOT

SUMMARY:

This bill provided for the following:

1. Established the "Alternative Protest Pilot Project" to be administered by the Department of General Services (DGS) as an alternative to the existing protest procedures for electronic data-processing and telecommunications goods and services (EDP/Telecom) procurements.
2. Authorized any department or agency to use the alternative protest procedures until December 31, 1998.
3. To be eligible for the pilot, a majority of participating bidders would have been required to sign an agreement that they understood and agreed that any protest filed would be resolved by certain specified alternative procedures.
4. Required "arbitration" procedures to be established by the DGS.
5. Required that grounds for protests be limited to violation of bid procedures in existing law for EDP/Telecom procurements.
6. Prohibited any vendor who had filed a protest with the Board of Control (BOC) on any state government project in California within the preceding fiscal year from participating in the pilot program.
7. Established certain project criteria.
8. Required that the pilot project continue until it had been applied to at least ten (10) EDP/Telecom contracts awarded up to and including December 31, 1998. Each contract must have a value of over one million dollars (\$1,000,000).
9. Required the DGS to report to the Legislature by July 31, 1999.

STATUS:

Failed passage, Assembly Consumer Protection, Governmental Efficiency and Economic Development Committee.

DEPARTMENT OF GENERAL SERVICES

AB 3174 (Brulte)

DEVELOPMENT FEES: SCHOOL FACILITIES

SUMMARY:

This bill would have statutorily reversed court decisions concerning developer fees and tightened the restrictions on specified fees that could be charged on new property development used in connection with school facility construction.

Specifically, this bill:

1. Declared the intent of this bill to reverse three specific past court decisions and prohibit local agencies from considering the adequacy of school facilities as part of the land use approval process. Further, declared the intent to limit developer fees used in funding school construction to the amount authorized in current law.
2. Prohibited any fee to be levied for the construction or reconstruction of schools as a condition of any legislative or administrative act by a state or local agency involving the development of real property or governmental reorganization, except for school districts levying fees against a development project for the purpose of school construction at the prescribed amounts.
3. Codified the cap on developer fees levied by school districts for construction approved before January 1, 1997, to \$1.72 per square foot for residential development and set the fee at \$1.84 for construction approved after that date. Also codified the current fee rate of \$0.28 per square foot of chargeable space of commercial and industrial developments.
4. Updated the year in which the fees will again be adjusted for inflation after the amounts cited in the bill were enacted.
5. Modified existing language to clarify that no local, regional, state, or any other measure may preempt the Legislature's control of the subject matter of mandatory development fees or other requirements for school facilities finance.
6. Prohibited participation in a Mello-Roos district from being a requirement for approval of a development project. Further prohibits non-participation in a Mello-Roos district from being a criteria for approval or disapproval.

STATUS:

Failed passage, Senate Committee on Housing and Land Use.

DEPARTMENT OF GENERAL SERVICES

AB 3175 (Brulte)

SCHOOL FACILITIES: DEVELOPER FEES

SUMMARY:

The bill would have made two changes to existing law relating to school districts submitting to the voters bond measures for school construction and levying developer fees or other requirements against any development project within the school boundaries.

1. With respect to caps on the amount of bonds a school district may issue, current law limits the total amount that may be issued by a district to 1.25 percent of the taxable property of the district. In the case of a unified school district or community college district, the cap is 2.5 percent of the taxable property of the district. This bill exempted districts from these bonding limits for any bonds issued for the purposes of raising money for the construction of school facilities if the bonds were authorized pursuant to an election held as a requisite to the imposition of developer fees or other requirements against a development project.
2. The bill also imposed new requirements on school districts as a requisite to assessing developer fees or other requirements against any development project within the boundaries of the district. It required the district to:
 - A. Develop a school facilities plan setting forth the estimated facilities needs of the school district for the next ten years and the amount of local school bonds needed to satisfy those needs.
 - B. Submit to the electors of the school district the question of whether bonds of the district shall be issued and sold for the purposes of raising money for the construction of school facilities in the amount identified in the school facilities plan mentioned in A.

STATUS:

Failed passage, Senate Committee on Housing and Land Use.

DEPARTMENT OF GENERAL SERVICES

AB 3307 (Brewer)

CALIFORNIA ACQUISITION REFORM ACT (CARA)

SUMMARY:

This bill (CARA), sponsored by the Department of General Services (DGS), would have repealed the existing provisions governing the acquisition of technology, commodities, and services and replaced them with a streamlined, common-sense approach to governmental purchasing. CARA decentralized the DGS authority to acquire both goods and services and allowed state departments to act on their own behalf. The DGS would have implemented the provisions of CARA and retained prominent oversight and approval authority.

Assembly Bill 3307 would have reformed and simplified the manner in which contract awards are protested and resolved. CARA gave the DGS the authority to resolve contract award protests with a fast and fair administrative decision thus saving the taxpayers millions of dollars. CARA required the Prison Industry Authority (PIA) to compete with the private sector for the state's business effective January 1, 1999, and reduced the number of exemptions from the state's procurement process.

STATUS:

Failed passage, Senate Governmental Organization Committee.

DEPARTMENT OF GENERAL SERVICES

AB 3324 (Richter)

CALIFORNIA ELECTRONIC COMMERCE ACT OF 1996

SUMMARY:

This bill would have:

1. Established the California Electronic Commerce Act of 1996.
2. Created the Executive Planning Committee (EPC) and the Procurement Operations Planning Subcommittee (POPC). Both committees would have been comprised of the same individuals: the Governor's Cabinet Secretary; the Departments of Finance, Information Technology, and General Services; the Office of the State Controller; and the Bureau of State Audits. The objectives of the EPC is to develop and implement a state operational plan to achieve maximum cost savings and improve service through the use of various forms of electronic data interchange and information technology. The subcommittee was required to do the following:
 - Develop a strategic plan for procurement.
 - Design a statewide invoicing and payment electronic information system.
 - Develop "best value" techniques.
 - Develop a strategy for standardizing products used by the state.
 - Incorporate "total cost of ownership" and "price bench marking" into procurement operating policies.
3. Made various legislative findings and declarations regarding the state procurement process and the Department of General Services.
4. Deferred future computer system developments until the Department of Information Technology decided that the systems were compatible with the objectives of the EPC.

STATUS:

Died, Senate Inactive File.

DEPARTMENT OF GENERAL SERVICES

AB 3393 (Bowen)

DEBT OBLIGATIONS: PUBLIC WORKS

SUMMARY:

This bill would have prohibited the state from issuing revenue bonds, lease-payment bonds, or any other debt obligation to build state buildings and other public works, as specified, when they are funded either directly or indirectly through the General Fund. The bill only permitted these types of financing methods when the revenues did not come from the General Fund, and required the issuances to be competitively bid. This bill would have taken effect January 1, 1997, and would not have affected any revenue bonds issued prior to that date.

STATUS:

Failed passage, Assembly Appropriations Committee.

DEPARTMENT OF GENERAL SERVICES

SB 482 (Calderon)

STATE PROPERTY: SACRAMENTO

SUMMARY:

This bill would have made numerous changes to the state's asset management program in Sacramento. In brief, the bill would have combined the selection of a building site with the selection of a developer and added three new levels of appeal to the existing process of developing state buildings.

STATUS:

Failed passage, Senate Floor.

DEPARTMENT OF GENERAL SERVICES

SB 569 (Leonard)

**GOVERNMENTAL FUNCTIONS
EDUCATION FACILITIES: BOND ACT**

SUMMARY:

This bill established the Public Education Facilities Bond Act of 1996, and would have placed a \$3.9 billion general obligation bond proposal on the November 1996 general election ballot for the purpose of providing financial assistance for the cost of construction and renovation of state educational facilities, as specified.

Additionally, this bill would have:

1. Overturned the Mira, Hart, and Murrieta court decisions related to developer fees for school construction.
2. Deferred developer fees, as specified, which are levied against single-family or multi-family development projects for the construction or reconstruction of school facilities.
3. Prevented local agencies from considering the adequacy of school facilities in connection with any legislative or administrative act involving the planning, use, or development of real property, as specified.

STATUS:

Failed passage, Assembly Floor.

DEPARTMENT OF GENERAL SERVICES

SB 763 (Greene)

BONDS: GOVERNMENTAL FUNCTIONS

SUMMARY:

This bill would have changed the name of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 to the Leroy F. Greene State School Building Act. In addition, the bill would have made numerous changes, both major and minor, which are purported to simplify the program. The changes provided in this bill included the following:

- Required the State Allocation Board (SAB) to compile operating guidelines, policies, and procedures as specified.
- Required the Office of Public School Construction (OPSC) to complete close-out audits within 90 days of project completion; allowed the school district to contract and pay for an independent audit after 90 days.
- Eliminated the current complicated system of eight funding priorities.
- Eliminated year-round multi-track enrollment requirement.
- Expanded the definition of natural disasters that may provide eligibility for lease-purchase funding.
- Reduced the number of Average Daily Attendance (ADA) update calculations the SAB may require on projects.
- Streamlined the project application approval process.
- Allowed unused sites to revert to the state after five years.
- Extended the enrollment projection basis for entitlement from three to five fiscal years for grade schools and from four to six fiscal years for high schools.
- Provided a bonus for projects having 30 percent of teaching stations in relocatable buildings.

DEPARTMENT OF GENERAL SERVICES

SB 763 (Greene)

(Continued)

Projects that do not meet the criteria for SAB approval of the construction of the project prior to January 1, 1996, would have been governed by the provisions of this bill.

STATUS:

Died, Assembly Floor.

DEPARTMENT OF GENERAL SERVICES

SB 1733 (Calderon)

STATE BUILDING STRATEGY

SUMMARY:

This bill would have required the Director of General Services to prepare and submit a report to the Legislature outlining the department's proposed strategy for meeting state building procurement needs in the Sacramento area by January 31, 1997.

STATUS:

Died, Assembly Consumer Protection, Governmental Efficiency and Economic Development Committee.

DEPARTMENT OF GENERAL SERVICES

SB 1869 (Petrís)

HISTORIC STATE CAPITOL COMMISSION

SUMMARY:

This bill would have expanded the jurisdiction of the Historic State Capitol Commission, an advisory body that focuses on issues related to the State Capitol building, by authorizing the commission to play an advisory role regarding historical issues relating to the Capitol Complex.

STATUS:

Died, Assembly Rules Committee.

DEPARTMENT OF GENERAL SERVICES

SB 1873 (Greene)

**SCHOOL FACILITIES: EDUCATION
TECHNOLOGY INFRASTRUCTURE**

**(Note: Although not re-titled, in fact the
bill was amended to relate to the Naylor
Act)**

SUMMARY:

This bill, which was sponsored by the Department of General Services (DGS), would have:

1. Repealed current law requirements limiting the price school districts may sell surplus, recreational land, and authorized school districts to sell or lease this surplus land at fair market value.
2. Specified that a school district's selling price may not be less than the amount necessary to retire the share of local bonded indebtedness on the offered portion of the land, as specified.
3. Specified that school districts may re-acquire any land sold or leased by a public agency at a price calculated by the cost at which the public agency originally bought the land, adjusted by a cost-of-living factor, and the cost of any improvements made by the public agency, as specified.

STATUS:

Failed passage, Assembly Education Committee.